Doing Business in Uganda: 2013 Country Commercial Guide for U.S. Companies

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Chapter 1: Doing Business In Uganda

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Market Overview Return to top

Strong macroeconomic management and general political stability have helped this fast-growing country of 37 million improve its business environment over the past decade. However, high levels of corruption, poor infrastructure, a shortage of human capital and a dearth of affordable financing remain significant hurdles for businesses in all sectors.

In general, Uganda's economy remains small, with a gross domestic product (GDP) of about $21 billion in 2012 ($589 per capita), and 24.5% of the population living on less than $1 per day. It is also highly dependent on foreign aid. Direct budgetary assistance from donor governments made up about 19% of the Ugandan budget in the 2012/2013 fiscal year.

Uganda’s private sector has expanded significantly in recent years, and Uganda's GDP, trade, and foreign direct investment, while slowed by the effects of the 2008 global financial crisis, have remained strong:

- The Ugandan economy grew by 5.1% in fiscal year 2012/2013, up from 3.2% the previous year. The Ugandan Ministry of Finance predicts economic growth will continue, reaching 7% per year by 2015.

- In 2012, total trade was $9.3 billion, with $2.86 billion worth of exports, and $6.42 billion worth of imports. Trade contributed 42 percent of GDP.

- Foreign Direct Investment (FDI) nearly doubled, from $894 million in 2011 to $1.7 billion in 2012, driven largely by heavy investments from oil exploring companies.

- Major investments were made in construction, banking and financial services, telecommunications, and petroleum exploration.

The service sector was the largest contributor to GDP in 2012 at 50% and industry contributed about 26%. The agriculture and fishing sectors continue to dwindle, contributing23% of GDP in 2012 while providing approximately 66% of employment in Uganda.

At the top of the Ugandan government's agenda is strengthening the country's road, rail, water, energy, and communications infrastructure. In FY 2013/14, the Ugandan Government plans to invest nearly $1 billion in road construction and improvement

Uganda’s major trading partners are its regional neighbors, including Kenya, the Democratic Republic of Congo (DRC), and South Sudan. The European Union, the United Arab Emirates, South Africa, India, China, Japan and Singapore follow behind Uganda's regional partners.

Uganda is a member of the East African Community (EAC) along with Kenya, Tanzania, Burundi, and Rwanda. While the EAC has passed protocols establishing a Customs Union and Common Market among the five countries, numerous exceptions, unchanged regulations, and bureaucratic inefficiencies still hamper the free movement of goods, capital, and people. As part of the Customs Union, Uganda has increased its tariffs on some finished products imported from outside the region.

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The barriers to doing business in Uganda include high levels of corruption, poor infrastructure, a lack of access to affordable loan financing, low levels of human capacity, inefficient government services, complicated land laws and frequent land disputes.

Corruption is a serious problem, and the political will to fight it remains inadequate to the problem. Uganda ranked 130th out of 176 countries in Transparency International's (TI) 2012 Corruption Perceptions Index. According to TI, a score lower than 3.0 indicates a perception of "rampant corruption." Uganda's score was 2.9. TI’s 2012 East African Bribery Index ranked Uganda as the most corrupt country in East Africa.

Uganda's infrastructure, particularly its systems of roads, rail, electricity, and water, is poor. Access to electricity countrywide is a meager 12%, and only 5% of the rural population has access to power. A two-lane highway from Kenya remains the primary route for 80% of Uganda's trade, leaving businesses dependent upon a corridor highly vulnerable to blockages. Uganda's dependence on this route was demonstrated when election-related violence in Kenya in late 2007 and early 2008, virtually halted trade into Uganda for more than two months and caused a spike in prices of all commodities.

Full commissioning of the 250 megawatt Bujagali Hydropower Project in 2012 has temporarily alleviated Uganda’s power deficit, but demand is growing at 10% per year, and is expected to outstrip supply again by 2015. The Government recently approved a deal to start construction of the Karuma hydropower project that will add another 600 megawatts of power to Uganda’s grid by 2017. Uganda is also constructing a number of micro-hydro projects along the Nile River, and is promoting development of renewable energy in Uganda. In 2010, the Electricity Regulatory Authority announced renewable energy feed-in tariffs to encourage greater private sector participation in power generation. In 2011, the Uganda Energy Credit Capitalisation Company (UECC) was launched to enhance private sector financing for small-scale renewable energy projects, and the VAT tax was eliminated on imports for solar energy components.

Lack of affordable financing is another impediment for business. Loans are generally short term, with interest rates at about 20%, and little liquidity exists for longer-term loans.

Beyond this, American manufacturers wishing to export to Uganda must also overcome Ugandan preferences for working with their familiar European trading partners. Some

Ugandan purchasers also express concern about the ability of American manufacturers to provide parts and services. Partly as a result of transportation costs, American products often cost more than their Asian counterparts' products, a significant challenge in an intensely price-sensitive environment.

Uganda's population growth continues to outpace economic growth, leading to high youth unemployment and putting an increasing strain on social services, infrastructure and land resources. At 3.2% per year, Uganda's has one of the highest population growth rates in the world. At this rate, Uganda's population, currently about 37 million, will double by 2035.

The sale of counterfeit products smuggled into Uganda is also an impediment to U.S. producers of consumer goods. The sophistication of counterfeit goods from China and India is growing, and public awareness of counterfeits remains weak. Pirating of CDs, cassettes, software, and videos is common, and visitors to Kampala will see counterfeit reproductions of popular music and films for sale in markets at low prices. Counterfeit construction products, auto parts, food products and pharmaceuticals are also on the rise, leading to serious public safety concerns.

Market Opportunities

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Ugandan attitudes toward the United States and its products are very favorable. U.S. exports to Uganda totaled just over $100 million in 2012. Major American exports to Uganda include machinery and machinery parts, agricultural products, information technology, electronics, transportation equipment, optic and medical instruments, and used clothing. Prospects for U.S. exports to Uganda include construction equipment, renewable energy technologies, oil production technologies, power generation, hydropower technologies, manufacturing and mining equipment, information and communication technology products, medical equipment and pharmaceuticals, supplies for food processing, agricultural inputs, cosmetics, and consumer goods.

Firms interested in exporting goods to Uganda have been able to take advantage of its location in the heart of East Africa. Uganda has seen its regional trade grow steadily with its neighbors South Sudan, the Democratic Republic of Congo, Kenya, Tanzania and Rwanda.

Ugandan Exports in 2012 with key trading partners	
European Union	$464 million
South Sudan	$404 million
Kenya	$255 million
DRC	$239 million
Rwanda	$226 million
Burundi	$46 million
United States	$34 million
Ethiopia	$13 million
South Africa	$12 million
Nigeria	$1 million

FDI from and trade with Asian countries, including Singapore, the United Arab Emirates (UAE), Pakistan, China, India, and Malaysia, is also increasing.

Uganda's traditional agricultural exports continue to present opportunities. Coffee, tea, tobacco and cotton, Uganda's largest exports by value, have generally increased in quantity and dollar value, with some year-to-year fluctuation. In 2012, coffee exports were $372 million and tea exports were $76 million. Cotton exports decreased from $105 million to $76 million in 2012. Other important exports include fish, flowers, and cement.

Uganda's banking industry has also seen strong growth recently and currently consists of 25 banks. Financial services in Uganda are becoming more efficient with the presence of several international banks such as Citibank, Barclays, and Standard Chartered.

Uganda's telecommunications sector, power sector, and untapped mineral resources have also attracted foreign investment. Over the next decade, Uganda will need to upgrade its power generation capabilities and its transportation network (air, rail, and road). Additional prospects for U.S. investment in Uganda are in the agribusiness, construction, tourism, transportation, light manufacturing, and oil infrastructure and services. Uganda's expanding services sector has also created new investment opportunities for smaller investors in financial services, information technology, catering and entertainment.

Foreign oil companies have drilled dozens of successful exploratory wells in western Uganda along the border with the Democratic Republic of Congo, and recoverable reserves are estimated to be at least 3.5 billion barrels, which will make Uganda a top sub-Saharan Africa oil producer. Total, Tullow, and the China National Offshore Oil Corporation (CNOOC) are now developing wells, and an estimated $10 billion in infrastructure development - including roads, ports, airports, and pipelines - will be required to prepare the country for commercial oil production projected to begin in 2017. The Ugandan government also plans to build a refinery to ease its dependence on imported petroleum products and to generate revenue by exporting refined products throughout the East African region.

U.S. firms have increasingly been bidding on government tenders for donor-supported infrastructure and other development projects. In recent years, U.S. firms have been competitive bidders for tenders for power generation and transmission equipment, telecommunications services, information technology equipment and services, and transportation infrastructure. Some recent government tenders have been suspended over allegations of corruption in the selection process, however, leading some U.S. companies to question their ability to successfully compete for government projects in Uganda.

Exports to the United States under the African Growth and Opportunity Act (AGOA) also represent opportunities, though few traders have taken advantage of their potential. In 2012, AGOA exports were $1.8 million, down from $2.5 million in 2011. There has been a significant decline from the $6 million worth of goods exported in 2006.
Tourism is a growing industry. In 2011, Uganda earned $805 million from 1.15 million visitors, up from $662 million earned in 2010 from 946,000 visitors.

Finally, businesses are benefiting from Uganda's progress in reducing poverty levels and expanding its middle class. The percentage of Ugandans living in poverty dropped from 56 percent in 1992 to 24.5 percent in 2009. However, the benefits of poverty alleviation are concentrated primarily in the central urban region. In northern Uganda, where the population is still recovering from a 20-year conflict with the Lord's Resistance Army, the poverty rate is 46.2 percent. Greater industrialization and planting of cash crops have enabled an increasing number of Ugandans to move into the cash economy, but the high rate of population growth continues to outpace the government's ability to create jobs and provide sufficient health, education, and social services.

Market Entry Strategy

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Many Ugandan markets are not well developed, but, despite Uganda’s challenges, promising opportunities exist for well-prepared firms in the right sectors. Foreign firms interested in coming to Uganda should conduct a considerable amount of research and visit Uganda before making significant investments.

Most exporters rely upon local distributors to market their products, and successful foreign businesses often use local agents familiar with the sometimes confusing and slow-moving Ugandan bureaucracy. As with local distributors, businesses should thoroughly research potential agents.

Some U.S. businesses have entered the local markets through joint ventures with local or regional businesses. This allows U.S. firms to take advantage of local and regional expertise while sharing some of the risks with the local firms.

Some U.S. exporters access the Ugandan market via Kenya, where they have established production facilities.

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Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

http://www.state.gov/r/pa/ei/bgn/2963.htm

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Chapter 3: Selling U.S. Products and Services

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- Due Diligence
- Local Professional Services
- Web Resources

Using an Agent or Distributor Return to top

Typically, American businesses looking to access the Ugandan market enter into contractual agreements with local agents and distributors. A good local agent may play an important role for U.S. companies planning to bid on government tenders, which often require detailed knowledge of local conditions and the government bureaucracy. The Uganda Investment Authority (UIA) and the Uganda Manufacturers Association (UMA) maintain resource centers and often field inquiries from agents, distributors or companies looking for outside partners. The Ugandan National Chamber of Commerce and Industry (UNCCI) may also assist with identifying local agents and distributors. The Uganda Export Promotion Board (UEPB) has a list of export firms in Uganda. The Commercial Section at the U.S. Embassy can help verify the bona fides of potential agents or distributors. Nonetheless, it would be prudent to choose an agent or distribution and sales channels distributor after visiting Uganda to survey the situation and interview candidates.

Establishing an Office Return to top

The Uganda Investment Authority (UIA) facilitates the registration and licensing of foreign firms. The UIA can assist companies with establishing an office by providing advice on registry, licensing, immigration, tax, customs matters, and sub-licenses and permits. Despite the assistance provided by the UIA, investors can face inept and corrupt government personnel within government agencies. A local partner can help sort through some of these difficulties. The Uganda Revenue Authority (URA) continues with its program to improve the efficiency of its internal processes and bring more businesses and individuals into the formal tax structure. The changes have improved transparency and the overall quality of services. In its quest to increase government revenues, URA has at times decided to suddenly enforce tax laws that have gone unenforced for years. Such enforcement, announced with little warning, has impacted businesses and non-governmental organizations that have been targeted for the payment of taxes in retrospectively. At present, there is a glut of office space in Kampala. Construction of a number of new office buildings in Kampala is ongoing, increasing the overall amount and quality of available offices space. Rent for commercial space ranges between $12 and $25 per square meter.

Franchising

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Several major American firms operate in Uganda, including Citibank, AIG, Caterpillar, NCR, Sheraton Hotels, FedEx, Ernst & Young, Deloitte, Price Waterhouse Coopers, General Motors, Coca-Cola, Pepsi-Cola, Halliburton, American Tower Corporation, and Hertz. Prominent Ugandan investors appear interested in U.S. franchises, and a KFC is slated to open in Kampala later this year-- the first major U.S. food franchise in the country. Several South African and Kenyan grocery stores and fast food chains operate. Larger gasoline retailers such as Shell and Total usually have convenience stores at their filling stations.

Direct Marketing

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With the rapidly expanding use of cellular telephones and computers, Uganda currently presents opportunities for telephone or Internet marketing. Other than in a few urban areas, most Ugandans do not actively utilize mail services. Most foreign products are marketed through an experienced local company.

Joint Ventures/Licensing

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There are no restrictions on joint ventures with local investors. However foreign investors need to be cautious and apply good business judgment when dealing with local investors.

Selling to the Government

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Uganda's Central Tender Board (CTB) was disbanded after the Public Procurement and Disposal of Assets Authority (PPDA) was established by an Act of Parliament in February 2003. PPDA audits government procurements, regulates public procurement processes, and monitors compliance by all government entities. In January 2011, PPDA released new tendering rules aimed at preventing delays and enhancing the fight against corruption in public procurement. Government agencies must now include a procurement schedule for every bid notice issued, standard formats for invitation of bidders (bid notices) must specify time frames for all government procurement activities, and all bid evaluations must begin within 14 working days from the date of closing the bid. More information about PPDA can be found at www.ppda.go.ug.

Distribution and Sales Channels

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Products in Uganda are generally distributed through regional wholesalers, who in turn supply small and rural shopkeepers. In practice, some imported consumer products (whether smuggled or not) start their journey in downtown Kampala from the informal market area located on Nakivubo Street. Merchandise is off-loaded from containers and sold in bulk quantities to waiting transporters. Most of these transactions are paid for in cash, and transporters immediately carry their shipments to smaller towns and villages. Businessmen report that customs duties are not always collected, especially if a bribe is offered to the Uganda Revenue Authority officer on site. With the entry of large South African and Kenyan retailers (such as Game, Shoprite, Nakumatt, and Uchumi) into Uganda, suppliers can now deal directly with some major purchasers.

Selling Factors/Techniques

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Firms commonly market products with billboards and other road signage, as well as with newspapers, radio and television advertising. Most Ugandans speak at least some English, though some ad campaigns use local languages. South African retail companies have created coordinated advertising campaigns involving leaflets, billboards and media advertising. Cell phone company MTN, for example, attracts national attention through its hosting of the MTN marathon each year. Firms have also promoted themselves heavily at music concerts and by supporting sports teams such as the national soccer team. Beverage firms have run successful bottle cap promotions as well.

Electronic Commerce

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E-commerce is relatively undeveloped in Uganda, due to the lack of a widespread Internet access. In 2008, banks began to allow mobile phone banking, allowing cell phone users to electronically transfer funds to retailers or individuals.

American companies contacted by potential Ugandan purchasers must exercise great caution prior to finalizing any transactions. While many legitimate Ugandan entities seek to source goods over the Internet, the U.S. Embassy has detected fraud. U.S. vendors should never agree to accept third party checks as payment for goods to be shipped to Uganda. If a vendor questions the legitimacy of a potential Ugandan purchaser, the vendor should contact the Commercial Section at the U.S. Embassy, which will seek to verify the existence of the purchaser.

Trade Promotion and Advertising

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There are few advertising agencies in Kampala. Eighty percent of Ugandans get their news from radio, particularly in the rural areas. Newspapers are major sources of advertising and, unlike in many developed countries, they are not seeing advertising revenues decline due to increasing Internet usage. The Daily Monitor and The New Vision are Uganda's largest English-language daily newspapers. Billboards are also a common way of advertising.

ZK Advertising Uganda Ltd.
Workers House 4th Floor, Southern Wing
Plot 1, Pilkington Road
Tel: 256-414-234-215; fax: 256-414-234-150

Moringa Ogilvy
Plot 41, Luthuli Avenue, Kampala

Tel: 256-312-251-112/4; fax: 256-312-251-111; website: www.ogilvy.com

Major Newspapers and Business Journals include:

The East African
P.O. Box 6100, Kampala, tel: 256-414-232-768; website: www.nationaudio.com

The East African Procurement News
P.O. Box 24595, Kampala, tel.: 256-414-231-120; website: www.procnews.com

The Daily Monitor
P.O. Box 12141, Kampala, tel: 256-414-236-939; fax: 256-414-232-369; website: www.monitor.co.ug

The New Vision
P.O. Box 9815, Kampala, tel: 256-414-235-209; fax: 256-414-235-843; website: www.newvision.co.ug

The Eye Magazine
23, Prince Charles Drive, Kololo
Kampala - Uganda (Inside Microcare Compound)
Tel: 256-312- 251-117/8 Fax: 256-312-225-111/9; website: www.theeye.co.ug

East African Business Week
Plot 133, Kira Road, Kamwokya
Tel: 256-414-531-345 ; 256-772-450-038; website: www.busiweek.com

The Independent Publications Limited
Plot 86, Kamjokya Street
Tel: 256-312-637-391/2/3/4; fax: 256-312-637-396; website: www.independent.co.ug

Radio and Television Stations include:

Capital Radio
P.O. Box 7638, Kampala, tel: 256-414-235-092/3/4 Radio Uganda, P.O. Box 7142, Kampala, tel: 256-414-251-554

Impact Radio
P.O. Box 7223, Kampala, tel: 256-414-272-114; website: www.victoryuganda.org

KFM
P.O. Box 12141, Kampala, tel: 256-312-260-018; website: www.kfm.co.ug

Lighthouse Television
P.O. Box 23934, Kampala, tel: 256-414-543475/543-435/554-221

MNET
P.O. Box 2373, Kampala, tel: 256-414-341-431/38

Radio One

P.O. Box 4589, Kampala, tel: 256-414-348-311/211

Radio Sanyu
P.O. Box 30961, Kampala, tel: 256-414-234-250; website: www.mondotimes.com

Simba Radio
P.O. Box 31564, Kampala, tel: 256-414-543-672; website: www.simba.fm

Uganda TV
P.O. Box 7142, Kampala, tel: 256-414-345-376/256-453

Spirit FM
P.O. Box 10383, Kampala, tel: 256-772-438-980; website: www.spiritfmradio.net

WBS Television
P.O. Box 5419, Kampala, tel: 256-414-344-313/4; website: www.wavahtelevision.com

Pricing Return to top

Due to large shipping costs, European and North American goods and services are expensive, and few local substitutes exist at moderate prices. Large European and Asian companies compete against U.S. manufacturers of large-scale equipment and services. Smuggled goods, together with low-priced and low-quality counterfeit products create a large gray market that undercuts legitimate distributors.

Sales Service/Customer Support Return to top

Customer support can be a major issue for American products being sold in Uganda. U.S. manufacturers need to adequately demonstrate they can supply spare parts, technical assistance and other customer service. Moreover, they should carefully select, train, and monitor service providers for their products.

Protecting Your Intellectual Property Return to top

As discussed in Chapter 6, Uganda is starting to improve protection of intellectual property rights, and the Uganda Revenue Authority's Customs Department in conjunction with the Uganda National Bureau of Standards regularly seizes counterfeit goods. Pending anti-counterfeiting legislation aims to upgrade intellectual property rights (IPR) protections and strengthen the penalties for traffickers of counterfeit goods. While counterfeit products are readily available, Ugandan police and courts will work to enforce current statutes only if pushed to do so by rights holders. Prominent counterfeiting cases have languished in courts for years. Most counterfeit and pirated goods are imported from China and India, though some companies have suffered from locally produced counterfeits.

Protecting Your Intellectual Property in Uganda:

Several general principles are important for effective management of intellectual property IPR in Uganda. First, it is important to have an overall strategy to protect your IPR. Second, IPR is protected differently in Uganda than in the United States. Third, rights must be registered and enforced in Uganda, under local laws. Your U.S.

trademark and patent registrations will not protect you in Uganda. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Ugandan market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government generally cannot enforce rights for private individuals in Uganda. It is the responsibility of the rights holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IPR consultants who are experts in Uganda law. The U.S. Commercial Service can provide a list of local lawyers upon request.

While the U.S. government stands ready to assist, the rights holder needs to take these fundamental steps necessary to securing and enforcing their IPR in a timely fashion. In no instance should U.S. government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IPR. Consider carefully, however, whether to permit your partner to register your IPR on your behalf. Doing so may create a risk that your partner will list itself as the IPR owner and fail to transfer the rights should the partnership end. Projects and sales in Uganda require constant attention. Work with legal counsel familiar with Ugandan laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small- and medium-sized companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Uganda or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IPR Resources

A wealth of information on protecting IPR is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.

- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.

- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.

- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.

- For US small- and medium-sized companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in various countries. For details and to register, visit: http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html

- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov This site is linked to the USPTO website for registering trademarks and patents (in the U.S. and in foreign countries). It is also linked to the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.

- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers Uganda at: CommercialKampala@state.gov.

Due Diligence Return to top

Credit reporting is in its infancy in Uganda and due diligence is difficult to perform. The Bank of Uganda launched Uganda's first Credit Reference Bureau (CRB) in December 2008. The bureau created a database to give commercial banks access to information such as the credit history of loan applicants. All loan applicants have to present a Financial Card which is issued by their banker. It is hoped that the CRB will eventually lead to lower costs of borrowing, quicker loan processing, and exclusion of serial defaulters from the credit market.

Sellers are advised to collect cash upon or before delivery and to collateralize all loans. Sellers should also be aware that fraud is widespread and that accounts and bank statements may not reflect actual financial data. Firms should check document accuracy with financial institutions or through a commercial law firm. Similarly, firms should also conduct reference checks of potential Ugandan partners, especially other foreign customers or suppliers. Price Waterhouse Coopers, Ernst & Young, Deloitte & Touche, and other firms and business associations can facilitate such processes. The American business community in Uganda has also established an American Chamber of Commerce which may assist in such processes. The U.S. Embassy Economic and Commercial Section also offers a number of services to assist U.S. companies in their due diligence of local companies and partners.

Local Professional Services Return to top

The Institute of Certified Public Accountants of Uganda (ICPAU): tel.: 256-414-540-125/6; e-mail: icpau@infocom.co.ug

Uganda Association of Consulting Engineers: tel.: 256-414-342-536; website: www.uace.or.ug

Uganda Bankers Association: tel. 256-414-343-199; e-mail: uba@uol.co.ug

Uganda Law Society: tel.: 256-414-342-424; website: www.uls.or.ug; e-mail: ulss@utlonline.co.ug

Uganda National Association of Building and Civil Engineering Contractors: tel.: 256-414-287-836; e-mail: unabcec@infocom.co.ug

Uganda Society of Architects: tel.: 256-414-232-963; website: www.archuganda.org; e-mail: archuganda@siticable.co.ug

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Impact Radio: www.victoryuganda.org

The Institute of Certified Public Accountants of Uganda (ICPAU): e-mail: icpau@infocom.co.ug

KFM: www.kfm.co.ug

Radio Sanyu: www.mondotimes.com Simba Radio: www.simba.fm

The East African: www.nationaudio.com

The East African procurement News: www.procnews.com

The Monitor: www.monitor.co.ug

The New Vision: www.newvision.co.ug

U.S. Embassy Kampala Commercial Office: http://kampala.usembassy.gov/business

Uganda Association of Consulting Engineers: tel.: 256-414-342-536; website: www.uace.or.ug

Uganda Bankers Association: e-mail: uba@uol.co.ug

Uganda Law Society: www.uls.or.ug; e-mail: ulss@utlonline.co.ug

Uganda National Association of Building and Civil Engineering Contractors: e-mail: unabcec@infocom.co.ug

Uganda Society of Architects: www.archuganda.org; e-mail: archuganda@siticable.co.ug

WBS Television: http://www.wavahtelevision.com/

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Chapter 4: Leading Sectors for U.S. Export and Investment

Commercial Sectors

- Agriculture and food processing/packaging
- Infrastructure: construction equipment, electrical power systems, renewable energy, oil infrastructure and services pumps, valves, and compressors; waste management and environmental services.
- Telecommunications and Information Technology
- Travel/tourism services; tourism infrastructure services
- Light manufacturing (import substitution and exports): household consumer goods, cosmetics/toiletries, footwear, furniture, textile fabrics, office products and equipment
- Mining: mining industry equipment, non-ferrous metals; oil, gas, and mineral production/exploration services
- Marine fisheries products (seafood)
- Medical and dental equipment

Agricultural Sectors

Sector Name: Foods: processed and food processing/packaging
ITA Industry code(s): FOD/FPP

Overview

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Uganda's traditional export crops have fluctuated substantially in quantity and dollar value over the past several years.

Commodity	2010 exports	2011 exports	2012 exports
Coffee	$284 million	$467 million	$372 million
Tea	$68 million	$72 million	$76 million
Tobacco	$69 million	$55 million	$62 million
Cotton	$21 million	$86 million	$76 million

Most industries in Uganda depend heavily on agriculture for raw material inputs. President Museveni actively promotes value-added exports, such as roasted coffee, palm oil processing, and cotton yarn. Uganda hopes to expand its agricultural exports under the East African Customs Union. Agricultural processing is starting to develop and there are investment opportunities in processing and packaging coffee, edible oils, tropical fruits, fruit juices, and nontraditional crops such as vanilla.

Sub-Sector Best Prospects

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Food processing equipment, including drying, storage, and treatment facilities; chemicals and additives used to preserve or process foods; canning, bottling, and other packaging equipment and related materials; repair and maintenance services; consulting services on set up and operation of food processing equipment and systems.

Opportunities

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Opportunities exist primarily with private sector firms. Interested entities may wish to contact USAID, which has been working to improve Ugandan agricultural productivity, to obtain more information about specific processing opportunities.

Web Resources

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Livelihoods and Enterprises for Agricultural Development (LEAD) (USAID-sponsored) www.leadug.com

Uganda Coffee Trade Federation: www.Uganda.co.ug/coffee

Natural Organic Agricultural Movement of Uganda (NOGAMU) www.nogamu.org.ug

Uganda Export Promotion Board: www.Ugandaexportsonline.com

Uganda Flower Exporters Association: www.ufea.org

Uganda Investment Authority: www.ugandainvest.co.ug

Uganda Ministry of Agriculture, Animal Husbandry, and Fisheries: www.agriculture.go.ug

Uganda National Farmers Association: www.ugandafarmers.org

Sector Name: Infrastructure: construction equipment, electrical power systems, renewable energy, oil infrastructure and services, pumps, valves, compressors, waste management and environmental services
ITA industry code(s): CON/ELP/PVC

Overview

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Uganda has a pressing need for infrastructure improvements, particularly in regard to roads and power. International financial institutions and donors are interested in participating in these projects. Uganda lacks the road network essential to bringing crops to market. The primary road network is also in need of expansion and repair. Uganda faces an increasing shortfall in electric power due to economic growth and a population growing at 3.2% annually.

Uganda has no domestic production of the equipment needed to develop large-scale infrastructure projects. Additionally, Uganda's growing industries and service providers badly need larger and more modern sites, such as industrial zones, in which to operate. The government and World Bank are funding the construction of several industrial zones, such as one 13 kilometers outside Kampala in Namanve. The first firms moved into the site in 2010, but works such as roads, electricity, and water/sewage are ongoing. The Ugandan government plans to build other zones in Uganda's major urban centers. With an estimated 300,000 housing units needed per year, commercial construction and residential construction in Uganda are booming.

Sub-Sector Best Prospects

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Infrastructure design, construction, and operation, particularly energy-related; environmental consultancy and analysis related to infrastructure projects; architecture; construction equipment; road-building equipment; generators, transformers, and other power supply equipment; new cost effective building technologies.

Opportunities

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The Ugandan government issues frequent tenders for infrastructure projects, including for power generation, transportation infrastructure, and upgrades at Entebbe International Airport also. Some infrastructure projects are funded by the World Bank, the African Development Bank or other development institutions. Opportunities also exist to partner with local construction firms.

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African Development Bank: www.afdb.org

East African Development Bank: www.eadb.org

Uganda Ministry of Energy and Mineral Development: www.energyandminerals.go.ug

Uganda Ministry of Tourism Trade and Industry: www.mtti.co.ug

Uganda Privatization Unit: www.finance.co.ug

World Bank: www.worldbank.org

Sector Name: Telecommunications equipment/Telecommunications Services
ITA industry code(s): TEL/TES

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The Ugandan telecommunications sector boasts internationally owned operators: MTN (South Africa), Uganda Telecom Limited (Libya), Airtel (India), Orange (U) Ltd. (French), and Smile (South Africa). In May, 2013 Airtel bought out WARID and became the second largest operator after MTN. In December 2012, a Ugandan company, K2 Telecom joined the sector.

The Uganda Communications Commission (UCC) issues public service provider, infrastructure provider and general service provider licenses. By the end of 2011 Uganda's number of fixed lines had increased to 464,000 from 327,114 in 2010, and mobile telephone subscribers rose to 15.5 million in 2011. The landing of undersea fiber-optic cable along the East African coast in September 2009 coupled with increasing competition between the companies has lead to improvements in both cost and performance, though quality Internet service remains expensive and slow by international standards. Dial-up services are very slow and experience frequent interruptions. Mobile broadband Internet is providing improved performance and usage has increased rapidly in Uganda, with almost 5.7 million Internet users. In 2011, telephone density was 52% compared to 41% in 2010. Whereas only 33.5% of the population own cellular phones, the UCC estimates that this covers close to 100% of the population. About 45% of the subscribers have multiple SIM cards. A number of new services like the mobile money transfer and utility payment plan were introduced in 2009.

Sub-Sector Best Prospects

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Cellular and wireless telephone systems; data transmission equipment; fiber optic equipment; trunked mobile phone systems and paging systems; switchers and routers; wireless access equipment; voice over Internet telephony; VSAT; computers and peripherals.

Opportunities

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Contact the Uganda Communications Commission to inquire about investment opportunities.

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Airtel: www. Airtel.com

Computer Frontiers International: www.cfi.co.ug

MTN: www.mtn.co.ug

Uganda Communications Commission: www.ucc.co.ug

UTL: www.utl.co.ug

AFSAT Communications Uganda: www.afsatug.com

Bushnet: www.bushnet.net

Infocom: www.imul.com

RCS Radio Communication: www.rcs-communication.com

Jireh Technologies International : www.jirehtechnologies.com

Zineth Electronic Security & Communication: www.glocodev.co.ug

Bitwork Technologies Ltd. : www.bitworktech.com

Uganda Broadcasting Corporation: www.ubconline.co.ug

Sector Name: Travel/tourism services; tourism infrastructure services
ITA industry code: TEL/TES

Overview

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The Ugandan tourism sector continues to grow and saw $805 million in revenues in 2011. About 1.15 million tourists visited Uganda in 2011. and international arrivals to Entebbe airport continue to increase. International airlines, such as Kenya Airways, Egyptian Airways, Ethiopian Airways, South African Airways, Emirates, SN Brussels, British Airways and KLM, have regular flights in and out of Uganda's Entebbe International Airport. Other airlines flying in and out of Entebbe are Turkish Airways, Qatar Airways, Rwanda Air, Fly 540 and Air Uganda. The Serena and the Sheraton are Kampala's premier hotels. A Hilton Hotel is under construction and is scheduled to open soon.

Uganda boasts several notable tourist attractions including the Queen Elizabeth and Murchison Falls National Parks, for game watching; the Rwenzori Mountains, for mountaineering; the source of the Nile and the Nile River, for bird watching, white water rafting and kayaking; Mgahinga and Bwindi National Parks, for mountain gorilla trekking; and Lake Victoria, for a variety of water sports. Uganda has established the Ziwa Rhino Sanctuary to reintroduce rhinos to Uganda's protected areas. Uganda is one of only three countries with mountain gorilla populations. Tourists can visit groups of habituated gorillas in Bwindi and Mgahinga National Parks in western Uganda. The passes are a major source of revenue for the parks and for gorilla conservation efforts.

Improved transportation networks and upgraded tourist facilities would enable Uganda to take full advantage of this sector's potential. Few local tour operators have the sophistication to tap into global tourism markets.

Sub-Sector Best Prospects

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Tourism management; travel agencies; hotel design, construction and management; marketing.

Opportunities

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The Uganda Wildlife Authority periodically markets concessions for services at or near Ugandan national parks.

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Uganda Ministry of Tourism, Trade and Industry: www.mtti.co.ug

Uganda Wildlife Authority: www.uwa.or.ug

Uganda Investment Authority: www.investuganda.com

Sector Name: Light manufacturing (import substitution and exports): household consumer goods, cosmetics/toiletries, footwear, furniture, textile fabrics, office products and equipment
ITA industry code(s): HCG/COS/FOT/FUR/TXF

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Manufacturing has increased significantly in Uganda over the past years with a focus on exports to regional markets of products such as plastic goods and consumer products. A small but growing middle class in Uganda serves as a market for these items. Uganda continues to expand its exports throughout the Great Lakes region, particularly to South Sudan and the Democratic Republic of Congo. The elimination of tariffs within the East African Community makes Ugandan exports more economical in Kenya and Tanzania, while opening Uganda to increased imports from those countries. American goods must compete with those from neighboring countries. There has been significant foreign investment in the past few years in the beverage industry, with Coca Cola, Pepsi, SABMiller, and East African Breweries leading the way.

Sub-Sector Best Prospects Return to top

Cosmetics, particularly hair products; clothing and footwear.

Opportunities Return to top

As the Ugandan standard of living increases (at least in Kampala), more Ugandans are purchasing consumer items at large supermarkets or department stores. American vendors should contact these stores directly. Stores include Shoprite, Uchumi, Woolworths, Nakumatt, and Game.

Web Resources Return to top

Game Store: tel.: 256-312-350-400; e-mail: kevinsi@game.co.za

Shoprite: tel.: 256-312-264-120; e-mail: 041684@shoprite.co.za

Uchumi: tel.: 256-312-262-300; e-mail: gardencity@uchumiug.com

Sector Name: Mining: mining industry equipment, non-ferrous metals; oil gas mineral production/exploration services
ITA industry code(s): MIN/NFM

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In addition to mineral resources, Uganda also has enormous potential for geothermal power production. In 2008, Uganda completed a national airborne mineral survey and found mineral potential in 80% of surveyed areas. The survey showed occurrences of oil and natural gas, copper, cobalt, gold, uranium, tin, tungsten, coltan, lead, and zinc. The most endowed regions neighbor mineral-rich eastern Congo. The 2004 Mineral Act provides incentives to mining investors, with royalty fees for base and precious metals set at 3%.

Western Uganda has approximately 3.5 billion barrels of confirmed petroleum reserves. Uganda plans to build a refinery to produce petroleum products for the local market and pipeline infrastructure to export crude oil. Uganda needs an estimated $10 billion in infrastructure to prepare for commercial oil production, now projected to begin in 2017.

In the 2011/2012 fiscal year, the mining and quarrying sector increased by 8.2% and accounted for 0.4% of GDP. In 2010, Uganda's mining sector produced approximately one million tons of material worth $54 million, half of which was limestone for domestic construction use. The conflict in the Democratic Republic of Congo has created a vacuum of authority in which diamond and gold smugglers can easily operate. These smugglers, both military and civilian, actively exploit the conflict for financial gain, and many serve as middlemen for foreign buyers on the black market. In 2011, Uganda exported $6.8 million worth of gold down from $30 million in 2010. In line with U.S. laws and regulations, investors should exercise caution to avoid projects involving the illegal transfer of Congolese mineral resources.

Sub-Sector Best Prospects

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Mining equipment; power generation equipment; civil engineering services; pumps, valves, and related materials.

Opportunities

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Possible investment in existing mines or establishment of new extraction sites.

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Uganda Ministry of Energy and Mineral Development: www.energyandminerals.go.ug

Department of Geological Survey and Mines of Uganda: www.uganda-mining.go.ug

Sector Name: Marine fisheries products (seafood)
ITA industry code: MFI

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Uganda has stocks of Nile perch and tilapia, which are processed locally and exported. Most fish come from Lake Victoria, the second largest freshwater lake in the world, which enables Ugandan exporters to export fish via nearby Entebbe airport. Several foreign investors have set up fish processing facilities. The fish sector has been declining in volume, due to over-fishing and lax enforcement. Fish exports were worth $159 million in 2012, up from $136 million in 2011. Fish contributed 5.8% of total exports in 2012. Fourteen fish processing factories are approved to export to the European Union. Uganda is experimenting with fisheries to continue expanding in this sector.

Sub-Sector Best Prospects
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Fishing equipment; processing equipment; materials related to construction and operation of fish processing facilities; food additives and chemicals used for value-added fish products.

Opportunities
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Opportunities exist for investments in fish processing facilities and in farm raising Tilapia.

Web Resources
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Nile Basin Initiative: www.nilebasin.org

Uganda Fish Processors & Exporters Association: www.lakevictoriafish.com

Uganda Ministry of Agriculture, Animal Husbandry, and Fisheries: www.agriculture.go.ug

Uganda National Environmental Management Authority: www.nemaug.org

Sector Name: Medical and dental equipment
ITA Industry Code: MED/DNT

Overview

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Overall, medical facilities in Uganda are poor, even in the capital. The country has few public hospitals which provide limited services. To fill the gap, several local and international investors have constructed private hospitals and dental clinics to serve wealthy and middle-class Ugandans, along with expatriates. Many expatriates and wealthy Ugandans nevertheless leave Uganda for complex medical procedures. Medical evaluation insurance is advisable for expatriate staff. Large businesses provide basic medical services for employees. Uganda receives large financial support from the United States for programs and facilities to combat HIV/AIDS. Some of this funding is used to purchase medicines and related treatment equipment. American exports of medical equipment to Uganda have increased in recent years and American manufacturers have established distribution arrangements with local partners.

Sub-Sector Best Prospects

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Record management equipment and systems; ultrasound; electrocardiographs; dopplers for obstetrics; pulse oximeters; ventilators; cardiac echo machines; treadmill stress machines; and lab equipment (including equipment needed for microbiology, haematology, chemistry, and histopathology).

Opportunities

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All subsectors.

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Academic Alliance for AIDS Care and Prevention in Africa: www.aaacp.org

Gulu Independent Hospital: www.guluindependenthospital.com

Joint Clinical Research Center: www.jcrc.co.ug

Kigezi International School of Medicine: www.kigezi.edu

Mulago Hospital: www.mulago.or.ug

National Drug Authority: www.nda.or.ug

National Medical Stores: www.natmedstores.org

The AIDS Society of Uganda: www.tasouganda.org

Uganda AIDS Commission: www.aidsuganda.org

Uganda Ministry of Health: www.health.go.ug

Agricultural Sectors

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Uganda's agricultural land is considered among the best in Africa, with low temperature variability and two seasons of good rainfall for the southern half of the country. Eighty percent of Uganda's land is arable but only 35% is being cultivated. Agriculture accounted for about 22.9% of GDP in 2011, and 46% of export earnings, and it is estimated that about 66.6% of all Ugandans are employed in agriculture in some form. Agricultural production and processing will remain the mainstay of Uganda's economy for the foreseeable future. The country produces a wide range of food products. Some obstructions to the expansion of agricultural investment include the lack of high quality packaging capabilities, the lack of storage facilities, high freight costs, the lack of feeder roads in rural areas, a complicated and inefficient land tenure system and untrained manpower. Ugandan producers often find it difficult to meet sanitary and phytosanitary standards required to export goods to Europe and the United States. Following decades of instability, farmers in the north again have access to some of the most fertile land in the country -- traditionally used to grow cotton. Most crops, however, are grown on small plots with few or no inputs.

The following offer good investment opportunities: Equipment to process or otherwise prepare traditional crops such as coffee, tea, cotton, and tobacco. While these have traditionally been exported in raw form, Uganda is attempting to process these goods to create added value and increase export earnings.

Biofuels: The United States Trade Development Agency commissioned a study of this industry. While biofuels show promise, the consultants discouraged converting food crops like maize and cassava and suggested using molasses and inedible crops like jatropha, castor, and oakleaf croton for fuel use.

Fruit and vegetable processing: particularly for canning pineapple and producing frozen pulps or juice concentrates from various tropical fruits, including passion fruit, mango, pineapple and papaya. Uganda seeks to increase production of processed organic foods. In 2010, Coca-Cola in partnership with the Bill and Melinda Gates Foundation initiated an $11.5 million program to assist Ugandan farmers in meeting standards to supply mangoes for Coca-Cola's locally produced and sold fruit juices. The government is actively seeking investors in fruit juice processing.

Edible oil production: Uganda's current needs for edible oil are being met by imports. Production of oil seed crops (sesame, sunflower, palm) has attracted major investors and is steadily increasing.

Staple food crops processing: staple food crops grown in Uganda include plantains, millet, sorghum, maize, beans, cassava, sweet potatoes, groundnuts (peanuts), rice, wheat and Irish potatoes. The United States provides large amounts of food aid, such as corn meal and split peas specifically for therapeutic and/or supplemental feeding to vulnerable groups.

Flowers: roses, carnations and other exotic plants are currently grown in Uganda and exported to Europe and starting in 2006 were exported to the United States. Given Uganda's climate, both seeded annuals and perennials are suitable for commercial development.

Livestock: Uganda boasts a growing livestock industry centered on Ankole cattle and a growing dairy sector. Much of the milk produced is wasted because very few facilities for cold storage exist. Potential exists for processing plants that make powder milk or UHT milk. Demand also exists for better breeding techniques, as well as for feed and veterinary care. Endemic diseases and lack of quality, however, limit export potential.

Food products: Transportation costs to Uganda, combined with low per capita income and heavy competition from regional and European manufacturers, make Uganda a difficult market for exporters of processed U.S. food products. However, exporters may seek to target niche markets, such as wines and other alcoholic beverages.

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Chapter 5: Trade Regulations, Customs and Standards

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- Import Requirements and Documentation
- U.S. Export Controls
- Temporary Entry
- Labeling and Marking Requirements
- Prohibited and Restricted Imports
- Customs Regulations and Contact Information
- Standards
- Trade Agreements
- Web Resources

Import Tariffs

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Uganda, Kenya, Tanzania, Rwanda and Burundi have adopted a three-tiered duty structure for imports from outside the Customs Union (EACU) under the terms of an East African Community (EAC) agreement. Most finished products are subject to a 25% duty, while intermediate products face a 10% levy and raw materials and capital goods may still enter duty free. This increased import duties on some products currently imported into Uganda from the U.S. However, under pressure from local industry, the Ugandan government successfully pushed to extend its exemption on certain import duties until June 2013 and is now applying to extend it for another year. Uganda is negotiating with Kenya and Tanzania to define certain manufactured products of key importance to Ugandan industries as "raw materials." The EACU members created a list of "sensitive" products -- generally products that compete with certain domestic industries -- that qualify for higher tariffs. In November 2009, the heads of state of the EAC member countries signed the Common Market Protocol, agreeing to establish a common market for Kenya, Tanzania, Uganda, Rwanda, and Burundi. Commencing in 2010, the common market is being gradually implemented.

In addition to the EACU, Uganda is a member of the Common Market for East and Southern Africa (COMESA), which also is working on reducing import tariffs for member nations.

Trade Barriers

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Uganda has few formal trade barriers, though bureaucratic inefficiencies, high transport costs, and an influx of counterfeit consumer products are the primary reasons for increased costs for foreign businesses. Import bans have been phased out for beer, soda, batteries and cigarettes.

Import Requirements and Documentation

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Import certificates, issued by the Minister of Tourism, Trade and Industry are required for goods on a "negative list," including used tires and certain types of batteries, and have a validity of six months. The certificates take the place of import licenses. However, with the EACU the process has become longer since the five East African Trade Ministers have to agree and coordinate on the list.

U.S. Export Controls

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According to Uganda's constitution, military products which pose a threat to the security of the nation may not be exported to Uganda. U.S. exporters must obtain a license from the U.S. State Department to export most weapons from the United States.

Temporary Entry

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Many products are shipped through Uganda on their way to eastern Congo, South Sudan, and Rwanda. The goods are declared at the port of entry and a customs declaration form is completed and data entered into the computer. Transit goods require a transit document which is issued by the Uganda Revenue Authority.

Labeling and Marking Requirements

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The following information must be clearly marked on imports and exports: importer/exporter name, consignee, flight/vehicle details, place of discharge, number of packages, container identity, description of goods, air waybill number/bill of lading, and country of origin/destination. Ugandan policy supports the adoption of labels for food products containing genetically modified organisms, but the country has yet to adopt any formal requirements.

Prohibited and Restricted Imports

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The following items cannot be imported into Uganda:

- pornographic materials

- used motor vehicle tires

- used computers and appliances

- imports banned under international agreements to which Uganda is signatory

(Note: The Uganda Revenue Authority imposes an environmental levy on vehicles over eight years old, and the Ugandan government has banned the importation of used computers and used refrigerators.)

Customs Regulations and Contact Information

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Commissioner
P.O. Box 444, MTAC Nakawa
Kampala, Uganda
Tel: 256-414-334501/334502

For information on Ugandan customs statutes and regulations, please contact:
E-mail: prte@ura.go.ug

Website: www.ugrevenue.com
Tel.: 256-414-234-119
Fax: 256-414-259-559

For information on the East African Customs Union, including the common external tariff, internal tariffs, rules of origin, or the Customs Management Act, please visit www.eac.int

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- Conformity Assessment
- Product Certification
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- Publication of Technical Regulations
- Labeling and Marking
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Overview Return to top

Importers/exporters should contact the Uganda National Bureau of Standards (UNBS) (tel.: 256-414-222-367; website: www.unbs.org) for specific information on standards.

Standards Organizations Return to top

Please contact the Uganda National Bureau of Standards (tel.: 256-414-222-367; website: www.unbs.org).

NIST Notify U.S. Service
Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: http://www.nist.gov/notifyus/

Conformity Assessment Return to top

Please contact the Uganda National Bureau of Standards (tel.: 256-414-222-367; website: www.unbs.org).

Product Certification Return to top

Please contact the Uganda National Bureau of Standards (tel.: 256-414-222-367; website: www.unbs.org).

Accreditation

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Please contact the Uganda National Bureau of Standards (tel.: 256-414-222-367; website: www.unbs.org).

Publication of Technical Regulations

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Please contact the Uganda National Bureau of Standards (tel.: 256-414-222-367; website: www.unbs.org).

Labeling and Marking

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The following information must be clearly marked on imports and exports: importer/exporter name, consignee, flight/vehicle details, place of discharge, number of packages, container identity, description of goods, air way bill number/bill of lading, and country of origin/destination. Uganda adopted additional labeling requirements for imports of used clothing. However, implementation of these requirements has been delayed pending another stakeholders workshop due to an appeal by importers who see the requirements as being unpractical. Ugandan policy supports the adoption of labels for food products containing genetically modified organisms. However, Uganda has yet to adopt any formal requirements.

Contacts

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Importers/exporters should contact the Uganda National Bureau of Standards (UNBS) (tel.: 256-414-222-367; website: www.unbs.org) for specific information on standards.

Trade Agreements

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Uganda is a member of the East African Community (EAC), COMESA and the African Union Abuja agreement. Duties and tariffs for countries in these groups, including South Africa, are significantly lower than duties for non-members. As part of the East African Community, Uganda, Kenya, Rwanda, Burundi and Tanzania have created an East African Customs Union designed to promote free trade among the five nations.

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Uganda National Bureau of Standards: www.unbs.org

East African Community: www.eac.int

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Strong economic growth, open markets, and abundant natural resources provide good opportunities for knowledgeable investors in Uganda. The country maintains a liberal trade and foreign exchange regime, and largely adheres to IMF/World Bank programs to fight poverty, maintain macroeconomic stability and restructure the economy. With its significant oil reserves - an estimated 3.5 million barrels, 1.8 of them recoverable, with only 40% of the western Uganda oil-rich area explored - Uganda could eventually become one of the region's major oil producers with the commencement of commercial oil production, currently expected to begin in 2017. The government is revising a range of laws and regulations to improve government accountability, open markets, develop infrastructure, and build a more attractive environment for foreign investment. However, sluggish bureaucracy, poor infrastructure, insufficient power supply, high energy and production costs, non-tariff barriers, corruption, and government interference in the private sector make Uganda a challenging investment climate.

Power supply remains one of the largest obstacles to investment, and Uganda's electricity network urgently needs renovation and expansion. Access to electricity countrywide is a meager 12%, and only 5% of the rural population has access to electricity. With the commissioning of the new 250-megawatt Bujagali Hydropower Project in 2012, Uganda is currently able to meet its power demand, but with demand growing at 10% per year, demand is expected to outstrip supply again by 2014. The government recently approved a deal that allows construction to begin on the 600 megawatt Karuma hydropower project, a project long delayed by legal disputes and corruption allegations. The project is scheduled for completion in 2017. In the meantime, Uganda is working to expand its power supply by constructing a number of micro-hydro projects along the Nile River and is promoting the development of sources of renewable energy. In 2010, the Electricity Regulatory Authority announced renewable energy feed-in tariffs to encourage greater private sector participation in power generation. In 2011, the Uganda Energy Credit Capitalisation Company (UECC) was launched to enhance private sector financing for small-scale renewable energy projects, and the VAT tax was eliminated on imports for solar energy components.

High transportation costs are another constraint on Uganda's economy. Uganda's dilapidated road and bridge infrastructure needs considerable investment, its railway system is in disrepair, and air freight charges are among the highest in the region. A two-lane highway from Kenya remains the primary route for 80% of Uganda's trade, making transportation slow, costly and susceptible to disruption. In 2007, election-related violence in Kenya virtually halted imports into Uganda for over two months, causing a spike in commodity and fuel prices. Also a problem is landlocked Uganda's reliance on Kenya's Mombasa port, where chronic congestion increasingly results in costly delays. Uganda also relies on the refinery at Mombasa for all of its fuel, and the cost of transport to Uganda keeps fuel prices high. The government is planning to issue a tender for construction of an oil refinery in 2013. This refinery could eventually reduce Uganda's reliance on expensive imported fuel. Uganda also hopes to shift more cargo transit from trucking to rail as the 2,350 kilometer Kampala-Mombasa line is gradually upgraded and expanded in a five year project financed by the Rift Valley Railways Consortium, the International Finance Corporation, and other finance institutions. The Ugandan government is also rehabilitating a long-abandoned railway across the northern section of the country that will be vital to help develop the country's oilfields.

Uganda and Tanzania are also exploring the possibility of building a railway line between Tanzania's port at Tanga and Musoma on Lake Victoria, a project which would give Uganda an alternative to relying on Mombasa for all its shipping. In December 2011, the two countries signed a memorandum of understanding with a Chinese engineering and construction firm to conduct a feasibility study for the $3 billion project, but the future of the project remains unclear. Aviation continues to grow, and in 2012, passenger traffic through Uganda's Entebbe International Airport was up 14.7% from 2011, with more than 1.2 million travelers.

Uganda's social services systems are lagging behind the demand generated by economic expansion and population growth. While creating potential markets for products, the country's population growth is also increasing the strain on social services, underfunded schools and hospitals, infrastructure, forests, water, and land resources. The high level of HIV/AIDS infection in the country is also taxing social services. Uganda developed a model program to combat HIV/AIDS, and prevalence rates decreased from close to 20% in the 1990s to 6.4% in 2006. However, this trend has recently shown a troubling reversal, with HIV/AIDS prevalence rising to 7.3% in 2012.

Uganda's economy experienced robust growth the past decade, especially in the financial services, construction, manufacturing, transportation, telecommunications, energy, infrastructure, and oil and gas sectors. After a brief slowdown in the last two years, due largely to continuing trouble in the Eurozone – a major destination for Ugandan exports – and a tight monetary policy, the economy is growing again and should reach 7% annual growth by 2015. In response to skyrocketing inflation, which rose from 5% in January, 2011 to an 18-year high of 30.4% in October, 2011, the Bank of Uganda began raising interest rates in mid-2012. As a result, commercial lending rates soared to as high as 34% in late 2012, leading to rising loan defaults and business closures, and slowed investment and growth. By May 2013, inflation had been tamed to less than 4% but commercial lending rates remained high at 23.5%. In late 2012, foreign donors suspended nearly $300 million in foreign aid over allegations that as much as $20 million in foreign aid meant for reconstruction and poverty reduction in Northern Uganda had been stolen by officials. As a result the fiscal year 2012/13 Ugandan budget puts more reliance on domestic funding with numerous new taxes introduced.

Recently, Ugandan government initiatives have focused on infrastructure investment, the promotion of Foreign Direct Investment (FDI), value-added manufacturing and increased international trade. FDI rose to $1.7 billion in 2012, up from $894 million in 2011. Political wrangling, lawsuits, and the lack of a legal framework for the oil industry slowed investment in the oil sector in 2011, but in 2012 Tullow Oil farmed down two-thirds of its oil interests to China National Offshore Oil Corporation (CNOOC) and French oil major Total in a much-anticipated $2.9 billion deal. In December, 2012, Uganda finally passed its delayed legislation governing oil exploration and production, but bills on oil revenue management and refining are still pending.

Openness to Foreign Investment

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Uganda is open to foreign investment and provides tax incentives for medium and long-term foreign investors. Based on ease of doing business, trade freedom, property rights, and fiscal and monetary policy, the Heritage Foundation's 2012 Index of Economic Freedom ranked Uganda's economy 78th freest of 179 countries and 8th freest among the 46 sub-Saharan African countries on the index. However, due to perceptions that widespread corruption even at the highest levels of government makes it difficult for foreign businesses to compete, Uganda ranked low at 28th of 46 sub-Saharan African countries on measures of corruption.

Since coming to power in 1986, President Yoweri Museveni has established relative political stability and economic growth, with policies to liberalize the Ugandan economy and encourage foreign businesses to set up operations in Uganda, particularly in value-added manufacturing and agro-processing. In 2001, Uganda created the Uganda Investment Authority (UIA) to assist investors, and although the process of registering a business in Uganda remains cumbersome, in recent years UIA has introduced administrative changes to improve the process. In 2009, in response to criticism that UIA catered only to foreign investors, UIA established a Domestic Investment Division to assist small and medium enterprises (SMEs). In 2011, "desk officers" from Immigration, the Uganda Revenue Authority, and the Uganda Registration Services Bureau were placed in UIA to allow investors to register their business, get a tax ID, open a tax file, and apply for investments licenses and work permits, all under one roof. The Uganda Registration Services Bureau (URSB) recently computerized its company registry, reducing the time and number of steps required to start a business, and revisions to the Investment Code now pending in Parliament would further streamline the process.

Uganda is moving away from a much-criticized emphasis on ad hoc, venture-specific incentives for potential investors in favor of an approach aimed at leveling the playing field for all investors. Previously, UIA gave foreign investors certificates making them eligible for tax holidays and exemptions. Due in part to criticism that this approach favored foreign investors over domestic ones, UIA abandoned this practice, and Uganda's investment incentives are now codified in its tax laws. In order to boost domestic revenues, Uganda made some significant changes to its tax code in 2011, including the introduction of transfer pricing regulations and the elimination of the "investment trader status," which previously allowed monthly recouping of VAT on all imports and services related to the initial construction of an investment.

In addition to tax incentives, Uganda offers investment incentives for investors in four "priority" sectors: information and communication technology, tourism, value-added agriculture, and value-added investments in mineral extraction. Uganda is also hoping to lure investors with its long-term plan to build 22 fully-serviced industrial parks in Uganda's largest urban centers. Investors in priority sectors can get a 49-year lease in an industrial park without paying the usual $80,000 lease fee. Since 2008, UIA has allocated land to 277 investors in the Namanve Industrial Park, which is under development on the outskirts of Kampala, and several large international companies are already operating there. The park, which will eventually cover 650-hectares, is divided into four main industrial clusters: food processing, light industry and services, heavy industry, and another for SMEs. Other parks are planned for Jinja, Kasese, Mbarara, Mbale, Gulu, and Soroti. For more information on incentives, see the section below entitled "Performance Requirements and Incentives." Investors can also find information on investor incentives on the UIA website at www.ugandainvest.com.

According to UIA, most new foreign investments in 2012 came from countries with interests in developing Ugandan oilfields, including the U.K., France, and the Netherlands, followed by India, China, and Kenya. U.S. foreign investment in Uganda remains relatively low, with new U.S. investments totaling $7.2 million, making the U.S. the 13th largest investor in Uganda. The main areas of foreign investment were in manufacturing, financial services, real estate, agriculture, forestry and fishing. Other areas of significant investment were in power, oil, construction and mining. In 2011, UIA began to more closely scrutinize foreign investment license applicants, rejecting a greater number of those lacking solid business plans and capital. In response to growing perceptions that foreign workers without work permits were taking local jobs, the government also began more strictly enforcing its foreign labor laws. Foreign investors in Uganda should be aware that projects that could impact the environment require an Environmental Impact Assessment (EIA) carried out by the National Environment Management Authority (NEMA). The requirement for EIAs applies to both local and foreign investors.

Ugandan policies, laws, and regulations are generally favorable towards foreign investors, but reforms are needed, and in recent years Uganda has taken a number of measures to improve its investment climate and streamline bureaucracy. In 2004, President Museveni launched the Presidential Investors Roundtable (PIRT), a forum in which he solicits input from national and international investors on ways to accelerate reform and increase private investment and competitiveness in Uganda. One proposal to emerge from the PIRT was to establish a Ugandan infrastructure fund, and feasibility studies for the prospective fund are currently under way. In 2006, the World Bank provided a $70 million credit for the Private Sector Competitiveness Project, a program to enhance enterprise competitiveness, improve the business environment and develop infrastructure and financial services. The project also aims to revamp the land registry system, modernize Uganda's business registration service, support the Uganda Law Reform Commission in the revision of the commercial legislation, develop private sector capacity and skills, boost private sector productivity, and raise the quality, standards, and reliability of micro, small, and medium-sized enterprises.

In 2010, with support from the World Bank, Uganda launched its Uganda Investment Climate Program (UICP) to implement reforms to improve the business environment, streamline its regulatory regime, and develop better investment policies. To this end, in 2011, the Ministry of Finance appointed Business Licensing Reform Committee to make specific recommendations to the government on ways to reduce bureaucratic burdens to doing business in Uganda. In a March 2012 report, the committee recommended that the government eliminate dozens of licenses and streamline dozens of others, noting that those reforms could reduce the cost of establishing a business in Uganda by 25%. Uganda is currently reviewing or revising a number of commercial laws to reduce the cost of doing business. In 2011, Uganda passed its Bankruptcy Act, and is now drafting regulations to implement the law, which will speed up bankruptcy procedures and address cross-border insolvency cases. Especially critical to improving the investment climate in Uganda will be passage of the Anti-Counterfeiting and Anti-Money Laundering bills, which are currently pending in Parliament. According to a 2011 Parliamentary report on the economy, the sale of counterfeit goods accounts for as much as 10% of international trade in Uganda. The prevalence of counterfeit goods deters foreign companies from entering the Ugandan market and results in losses of jobs, business opportunities, and tax revenues.

Under Ugandan law, foreign investors may form 100% foreign-owned limited or unlimited liability companies and majority or minority joint ventures with Ugandan partners without restrictions. The Investment Code allows foreign participation in any industrial sector except those touching on national security or requiring the ownership of land. Licensing from UIA requires a commitment to invest over $100,000 over three years. (See “Performance Requirements and Incentives" below.) Most foreign investors establish themselves as limited liability companies. Ugandan law also permits foreign investors to acquire domestic enterprises or establish greenfield ventures. If passed, the amended Companies Act will allow for the creation of single-person companies, permit the registration of companies incorporated outside of Uganda, and provide new provisions for share capital allotments and transfers. For a full description of the type of companies foreign firms are allowed to establish, visit the UIA website at www.ugandainvest.com, or see the Business in Development Network Guide to Uganda available at www.bidnetwork.org.

Ugandan courts generally uphold the sanctity of contracts, though judicial corruption and procedural delays caused by well-connected defendants are a serious challenge. At times, Ugandan government agencies are reluctant to honor judicial remedies issued by the courts. Courts apply the principles of English common law. Under current debt collection laws, creditors can prove their debts to a court-appointed receiver for payment. Secured debtors receive payment priority.

In recent years, the Uganda Revenue Authority (URA) has improved its efficiency, boosted transparency, and increased tax compliance. Some foreign investors have complained that tax rules are unclear and subject to change, and a number of foreign companies have had tax disputes with URA in recent years, including one that has led to international arbitration over capital gains taxes on sales of oil assets. Individuals are taxed at rates between zero and 30%, corporate tax is 30%, the Value Added Tax (VAT) is 18%, and capital gains taxes on profits accrued after 1998 are 30%.

The telecom sector has boomed since 2006, when the government lifted a moratorium on new mobile telephone operator licenses, and seven companies are now in the market. This has generated fierce competition, lower prices, wider coverage, and greater telephone penetration among the population and throughout the country. Uganda now has nearly a million Internet subscribers, 15.5 million cell phone users (up from 14.7 million a year ago), and some 5.7 million Internet users (up from 4.6 million a year ago). But the rapid growth has also lead to service problems, as rising demand has exceeded network capacity. In 2011, Uganda launched a $117 million national fiber-optic network to take advantage of the arrival of undersea fiber-optic cables in East Africa, and, in 2012, it began the process of migrating from analogue to digital broadcasting. These projects, along with government plans to enhance cybersecurity in the country, implement e-governance initiatives, and increase technological integration with neighboring countries in the East African Community, are opening up excellent investment opportunities for international communications technology firms.

Measure	**Year**	**Index/Ranking**
TI Corruption Index	2012	29 (130/174)
Heritage Economic Freedom	2012	61.9 (78/179)
World Bank Doing Business	2013	120/185
MCC Gov't Effectiveness	2013	.37 (84%)
MCC Rule of Law	2013	.49 (89%)
MCC Control of Corruption	2013	-.03 (49%)
MCC Fiscal Policy	2013	-4.3 (32%)
MCC Trade Policy	2013	73.6 (75%)
MCC Regulatory Quality	2013	.65 (98%)
MCC Business Start Up	2013	.843 (33%)
MCC Land Rights Access	2013	.83 (98%)
MCC Natural Resource Mgmt	2013	65.3 (55%)

Conversion and Transfer Policies Return to top

Uganda keeps open capital accounts, and Ugandan law imposes no restrictions on capital transfers in and out of Uganda. Investors can obtain foreign exchange and make transfers at commercial banks without approval from the Bank of Uganda in order to repatriate profits and dividends, and make payments for imports and services. Investors have reported no problems with their ability to perform currency transactions.

Expropriation and Compensation Return to top

The mass expropriation of Asian properties under the Idi Amin regime in the 1970s was the largest violation of property rights in Uganda's history. With the passage of the

Expropriated Properties Act of 1982, the government began to right this historical wrong, and by 1997 approximately 4,000 properties had been returned to their owners, and 1,500 others were sold off and the former owners compensated. There has been no case of expropriation since Museveni came to power in 1986. The Ugandan Constitution states that the interests of a licensed investor may only be expropriated when it "is necessary for public use or in the interest of defense, public safety, public order, public morality or public health..." The Constitution also guarantees "prompt payment of fair and adequate compensation, prior to the taking of possession or acquisition of the property." The Constitution guarantees any person who has an interest or right over expropriated property access to a court of law. Uganda is a member of the Multilateral Investment Guarantee Agency (MIGA) and the International Centre for the Settlement of Investment Disputes (ICSID).

Dispute Settlement Return to top

Uganda is reforming its commercial justice system, which now includes mandatory mediation for all commercial disputes to help reduce case backlogs. Uganda opened its first Commercial Court in 1996 to deliver an efficient, expeditious, and cost-effective mode of adjudicating commercial disputes. The court has four commercial court judges and two deputy registrars. In 2012, the court handled nearly 1300 commercial cases, and the caseload is expected to steadily increase as investment continues to flow into Uganda's oil sector. Despite a lack of funds and space, the commercial courts dispose of disputes within about seven months, faster than civil courts have traditionally disposed of commercial cases. The court has 17 mediators, and through pre-trial conferences, approximately 80% of disputes are now settled out of court, saving time and money. Because Ugandan law stipulates that the Court be "proactive," the Court engages regularly with the private sector through its Court Users Committee, which includes representatives from banks, insurance companies and the manufacturing sector. Through this forum, the court has worked with Uganda's tax authority to reduce the number of tax cases resulting in litigation, and has persuaded banks to opt for loan restructuring in default cases that were previously ending up in court. Some investors have complained that the legal process favors local companies, that political pressures can disrupt and delay outcomes, and that government agencies can be slow or reluctant to follow rulings. The Center of Arbitration for Dispute Resolution (CADER) can assist in commercial disputes. The court has also recently increased transparency and efficiency by taking steps toward creating an "e-court environment" – a process it expects to complete by 2015. In addition to digitizing its records, the court now digitally records court proceedings, a move which will speed up processing the caseload by enabling cases to be heard from remote parts of the country.

Uganda is a party to the New York Convention of 1958 on the Recognition and Enforcement of Foreign Arbitral Awards. Pursuant to the Reciprocal Enforcement of Judgment Act, judgments of foreign courts are accepted and enforced by Ugandan courts where those foreign courts accept and enforce the judgments of Ugandan courts. Monetary judgments are generally made in local currency. Due to antiquated laws that codify penalties using specific shilling amounts, in some cases penalties are not a sufficient deterrent due to currency depreciation. However, Uganda is slowly rectifying this, modifying out-dated laws, and codifying penalties in new laws using currency points. Pursuant to Section 73 of the Arbitration and Conciliation Act, the government accepts binding arbitration with foreign investors. The act, which incorporates the 1958 New York Convention, also authorizes binding arbitration between private parties.

Performance Requirements and Incentives Return to top

There are no mandatory performance requirements in the Investment Code, but Uganda's regulatory authorities mandate standards such as staff qualifications as licensing conditions for some categories of investment. Uganda's National Environment Management Authority (NEMA) is responsible for enforcing environmental regulations. The most basic licensing condition is that investors creating 100% foreign-owned enterprises should commit in their proposals to invest a minimum of $100,000 to their projects over a course of three years. This amount can include pre-investment activities and the cost of land, equipment, buildings, machinery, and construction. Foreign-owned banks and insurance companies are also subject to higher paid-up capital requirements than are domestic firms. Ugandan law limits foreign ownership of land. For more information on land ownership, see "Right to Private Ownership and Establishment," below.

Uganda’s fiscal incentive package for both domestic and foreign investors provides generous capital recovery terms, particularly for medium- and long-term investors whose projects entail significant plant and machinery costs and involve significant training. In Kampala, 50% of capital allowances for plants and machinery are deductible from a company's income on a one-time basis; elsewhere in Uganda, 75% of those capital allowances are deductible. All training costs are deductible on a one-time basis. A range of annual VAT deferments, deductions, exemptions and depreciation allowances also exist, resulting in investors often paying no tax at all in the first year of their investment, and usually paying substantially less than the 30% corporate tax rate in the subsequent years of their investment. The government also provides a 10-year tax holiday for investors engaged in export-oriented production and, if the investment is located more than 25 kilometers away from Kampala, for agro-processing investors. Investors can find information on investor incentives and capital allowances on the UIA website at www.ugandainvest.com, and at URA's website www.ura.go.ug.

Right to Private Ownership and Establishment Return to top

Businesses generally deem acquisition of land with a clean title as one of their biggest challenges, and land disputes are common in Uganda. Uganda's Commercial Court has a Land Division that deals specifically with land disputes. The World Bank's 2013 Doing Business Survey, which ranked Uganda 120th out of 185 countries surveyed for ease of doing business, noted that registering a property in Uganda requires 12 procedures and takes an average 52 days. The Private Sector Foundation Uganda, with a loan from the World Bank, is in the process of creating a new land registry and intends to establish five land offices throughout the country.

The Land Act of 1998 codified Uganda’s land tenure system, but the system and rules are complex. Foreign companies or foreign individuals may not own land. However, with UIA approval they may hold it under 49-year leases. Foreigners must seek Land Ministry approval through the UIA to lease land over 50 acres for agricultural or animal production purposes. Uganda has not initiated any changes to allow foreign investors to purchase freehold property. However, some foreign investors circumvent land ownership restrictions by establishing locally incorporated companies.

The issue of land and title in Uganda is complicated by the existence of four different land tenure systems: customary, "mailoland," freehold, and leasehold. Customary land refers to rural land governed by the unwritten, customary laws of a specific area. Customary land is difficult to use because no titles or surveys of such land exist and contracts are difficult to enforce in courts of law. Further, banks do not accept customary land as collateral. Mailoland is land that was granted to individuals and churches mostly in central Uganda during the colonial period. Mailoland cannot be owned by foreigners and the use of such land is subject to the agreement of bonafide or lawful occupants, who may not own the land but have the right to reside there. Mailoland is also problematic for foreign investors seeking secure, court-enforceable use of land. The 2009 Land Act complicated this further by giving occupants and squatters increased rights on mailoland at the expense of owner rights. Freehold land is the system in which registered land is owned permanently. It is available only to Ugandan citizens, though it can be leased to foreigners. It can be also used as collateral for bank loans. Leasehold land is land leased by freeholders and is most commonly used by foreign investors. Foreigners may obtain contracts for leases of between 49 and 99 years on leasehold. It can be used as collateral on loans, depending on the length of the lease.

Protection of Property Rights

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The Uganda Revenue Authority, Ugandan Customs, and the Ugandan National Bureau of Standards share enforcement of Uganda's minimal existing counterfeit laws, but lack the funding and resources to adequately enforce these laws. An Anti-Counterfeiting Bill pending in Parliament would, if passed, considerably clarify and strengthen Uganda's laws with stiffer penalties and enforcement guidelines.

Most counterfeit goods entering Uganda are manufactured in China and India. Counterfeit CDs, DVDs, and computer software are openly sold in Uganda's market places, and counterfeit pharmaceuticals and agricultural inputs are becoming an increasing problem. American manufacturers of consumer goods, particularly of shoe polish, batteries, feminine hygiene products, ink cartridges and chemicals have complained that counterfeiters are damaging their markets as fake goods serve as a deterrent to future foreign direct investment and damage brand names.

Uganda signed the World Intellectual Property Organization's Patent Law Treaty in 2000, but has not yet ratified it. Under Section 31 of the Patents Statute of 1991, the Registrar of Patents awards patents for an initial period of 15 years, with a possible five-year extension if a request is made one month before expiration of the original term. The 2006 Copyrights and Neighbouring Act and the 2010 Trademarks Act also provide protection for intellectual property rights. Uganda's Commercial court is hearing an increasing number of intellectual property and trademark cases, especially by artists and musicians in Uganda's Performing Arts Rights Society. But few cases of counterfeiting have come before the court because companies are not actively taking measures to protect their brands in Uganda. The Court has the power to impound goods and impose injunctions. It also has the power to impose financial damages on trademark and copyright violators, but has not done so due to the difficulty of assessing actual financial damages from violations.

Transparency of Regulatory System

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Ugandan laws and regulations are published in the Government Gazette, but the regulatory system lacks internal transparency and varies substantially by regulatory body. Government agencies often have hearings, both public and private, where interested parties have an opportunity to comment on draft legislation and regulations. Agencies do not always observe all legal provisions, however, failing to hold hearings, ignoring the requirement for public tenders, ignoring regulatory violations, or providing other types of assistance to well-connected local businessmen. The UIA provides assistance to potential investors in navigating the regulatory process.

Many Ugandan agencies require potential and current investors to cut through substantial amounts of red tape for normal business transactions. The World Bank's 2013 Doing Business report ranked Uganda 120 of 185 countries for ease of doing business. The study found that on average it takes 15 procedures and 33 days to start a business in Uganda. Starting a business in certain sectors, such as mining, may take substantially longer. General infrastructure hindrances such as poor telecommunications and increasing amounts of traffic in Kampala slow down certain processes. Investors complain that government officials often require firms interested in government procurement contracts to provide under-the-table cash payments in person at local agency offices. Regulatory inefficiencies and corruption negatively affect foreign and domestic firms equally.

The Bank of Uganda is reasonably transparent, but the legal system is less so. Courts, particularly at the upper levels, have made independent judgments in the past, but these judgments are sometimes ignored and some parties to legal proceedings take advantage of the legal system's inherent delays and incoherence to manipulate the judicial process.

Efficient Capital Markets and Portfolio Investment Return to top

The Bank of Uganda remains one of the most respected central banks in sub-Saharan Africa for its success in pursuing open markets, a stable currency, and relatively low inflation. Increased supervision of the banking sector in recent years has helped it recover from a banking crisis in the late 1990s, when several banks failed or were closed down. In 2010, the Bank of Uganda required commercial banks to raise their capital from a minimum $4 million to $25 million, and all banks have complied, some by attracting Tier I equity capital. Commercial banking assets rose to $5.93 billion in 2012, up from $5.3 billion in 2011, and from $4.9 billion in 2008. Most banks are foreign owned, including by major international institutions such as Citigroup, Barclays, Stanbic, Standard Chartered, and Bank of Baroda. According to the Bank of Uganda, at the end of fiscal year 2010/2011, only 1.8% of assets were in non-performing loans, but after commercial interest rates skyrocketed in 2011 and remained high throughout 2012, defaults rose and the percentage of non-performing loans more than doubled, rising to 4%.

Capital markets are open to foreign investors. The government imposes a 15% withholding tax on interest and dividends. Credit is allocated on market terms, and rates are high. Following the lifting of the moratorium on new banks in 2007, a number of new banks have entered the market, bringing the current total to 25. Competitiveness and innovation have also steadily increased, but lending to the private sector is still relatively low. In recent years, low rates of return on government-issued bills and bonds induced banks to begin shifting their focus to commercial lending. Today, holdings of government treasury bills comprise roughly a third of commercial loan portfolios. Commercial bank lending has grown considerably in recent years. According to the Bank of Uganda, during the 2011/2012 fiscal year, as commercial interest rates soared to over 30%, commercial bank lending to the private sector slowed drastically, growing by only 11%, down from 44% in 2010/2011. By the end of 2012, commercial rates were down slightly to 23.5, but loan defaults were up, banks were reluctant to lend, and many were lending only in U.S. dollars. In 2011/2012, lending in dollars rose 50%, but lending in Ugandan shillings fell 11%.

The Capital Markets Authority, established in 1996 as the securities regulator in Uganda, is responsible for licensing brokers, dealers and overseeing the Uganda Securities Exchange, which was inaugurated in June 1997 and is now trading the stock of 15 companies. Market capitalization of the exchange rose to $6.26 billion in 2012, up from $4.7 billion in 2011, with the listing of UMEME, Uganda's power distributor, the issuance of 40 billion bonus shares by Stanbic Bank, and the issuance of bonds by the African Development Bank. Foreign-owned companies are allowed to trade on the stock exchange, subject to some share issuance requirements, and the Kampala exchange contains cross-listings of seven Kenyan companies: Equity Bank, Kenya Airways, East African Breweries, Jubilee Holdings, Kenya Commercial Bank, Nation Media Group, and Centum Investment.

In 2004, the Bank of Uganda added ten-year bonds to its two-, three-, five-year offerings to facilitate its control of liquidity and inflation and to further develop the bond market. The Government hopes that by creating a benchmark yield curve it will encourage private companies to access the debt markets. Some large local businesses have been reluctant to turn to the capital markets, however, in part because strict disclosure requirements would force them to adhere to higher international auditing standards than most Ugandan businesses normally achieve. Seven companies currently provide brokerage services, including one American-owned firm, Crested Stocks and Securities. There are no restrictions prohibiting investors from pooling funds to be invested on the exchange and in government treasury bills and Treasury bonds. In December 2004, African Alliance Uganda was licensed to operate the first Ugandan collective investment scheme.

According to the Bank of Uganda, Foreign Direct Investment (FDI) reached $1.7 billion in 2012, nearly double the $894 million of FDI in 2011. This surge in FDI is driven largely by investments from oil exploration companies. FDI from Europe, once the greatest source of investment for Uganda, has started to increase due to interest in oil pro, and FDI from the U.S., which peaked at $100 million in 2006 remains low since risk-averse investors left after the financial crisis of 2008.

In 2011, Uganda’s bond market thrived as high interest rates began to lure back some of the foreign investors who had left after the 2008 financial crisis. According to the Bank of Uganda, the percentage of foreign investors buying Ugandan bonds and treasury bills rose from zero in July 2011 to 12% in December 2011. Predictably, falling interest rates in 2012 prompted some foreign investors to pull out, but as of December 2012, 9.4% of Ugandan bonds still remained in the hands of offshore investors. In spite of the ongoing global economic slowdown, remittances remain an important source of foreign exchange for Uganda. The Bank of Uganda estimates that in 2012 Ugandans living abroad sent home $879 million in remittances, up from $729.7 million in 2011. Previously most remittances came from Europe, but now sub-Saharan African countries such as South Africa and Botswana are main sources of remittances.

Competition from State Owned Enterprises

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The government began a privatization program in 1993 that has resulted in the complete or partial divestiture of the majority of Uganda's public enterprises, with just a few remaining in State hands. The program has attracted foreign investors primarily in the agribusiness, hotel, and banking sectors. Though generally deemed successful, some observers have questioned the transparency of certain transactions carried out in the name of privatization, arguing that the benefits of the most lucrative sales went to insiders.

State-owned enterprises currently exist in a number of sectors, including mining, housing, electricity, and transport. In some of these sectors, the government is not directly involved in the running of the business, but remains a shareholder. The government is open to competition from private investors in all of these sectors. Uganda is also planning to establish a National Oil Company, and, although it does not currently have a sovereign wealth fund; that may change in the near future when revenues from commercial oil production start flowing in.

Corporate Social Responsibility

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In Uganda, corporate social responsibility (CSR) projects are expected from many of the larger foreign enterprises. This is especially true in the extractive industries and other sectors in which regular business operations do not directly benefit the community. While consumer buying habits are rarely based on CSR, some large corporations, including foreign oil companies, have experienced community pressure and social unrest when local residents do not see any direct benefit from their presence.

Political Violence

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Uganda has succeeded in achieving a level of stability since President Museveni came to power in 1986. However, the regional terrorism threat remains high, and there have been periodic eruptions of political violence in recent years. Rebel groups fighting in eastern Democratic Republic of Congo are creating instability on Uganda's borders, resulting in an inflow of thousands of refugees into Uganda.

Political tension has been rising within Uganda in recent years. In February 2011, Uganda held elections in which President Museveni was elected to a fourth consecutive term with 68% of the vote. The elections and campaign period were generally peaceful, but observers, including the United States, expressed concern about the diversion of government resources for partisan campaigning, the heavy deployment of security forces on election day, disorganization at polling stations, and the absence of many registered voters' names from the voter rolls. In the months following the election, political tensions were exacerbated as Uganda plunged into an economic crisis. A series of "Walk-to-Work" protests against skyrocketing inflation in April and May 2011 left at least 10 people dead, including a 2-year old child, as security forces used live ammunition, tear gas, rubber bullets, and water cannons to disrupt protestors. Members of the opposition were arrested, sometimes violently, and some political activists were charged with treason.

In 2012, as the country celebrated its 50th anniversary of independence, the country enjoyed a period of relative calm, with fewer public protests. Political fights, especially over corruption and governance of the oil sector continue, and the opposition faces harassment and intimidation.

The threat of terrorism remains high in Uganda. On July 11, 2010, 76 people, including one American, were killed and many more injured in twin bombings in Kampala. Al-Shabaab, the Somalia-based U.S.-designated Foreign Terrorist Organization, was responsible for the attack. Information obtained from the investigation into the bombings indicated that Americans and westerners in general were among the intended targets. The State Department has issued a Worldwide Caution warning U.S. citizens to be alert to the possibility of additional terrorist attacks in Uganda. The U.S. Embassy continues to encourage U.S. citizens to carefully consider the risk of attending or being near large public gatherings, especially those with large numbers of westerners and no visible security presence, as these gatherings can be targeted by extremist or terrorist groups. Citizens are also advised that soft targets such as hotels, bars, restaurants, and places of worship are also vulnerable to attacks. High levels of criminal activity remain a problem in Uganda, and spontaneous demonstrations can sometimes occur in Kampala and other cities. Although infrequent, these demonstrations can become violent and should be avoided. U.S. citizens considering travel, employment, or investment in Uganda should read the Country Specific Information available at www.travel.state.gov for current security information.

The threat from various rebel groups in Uganda has subsided significantly in recent years. The Lord's Resistance Army (LRA) was expelled from Uganda in 2006 and is now operating in remote areas of the border region between the Democratic Republic of Congo (DRC), the Central African Republic, and South Sudan. There have been no LRA attacks in Uganda since 2006, and improved security in the region has allowed the vast majority of the 1.8 million people displaced by the conflict to return home. In December 2008, the governments of Uganda, DRC, and Sudan began joint military operations against the LRA, and in 2011 the United States deployed some U.S. military personnel to the region to provide technical assistance and advice to African forces pursuing the LRA.

The security situation in the remote north-eastern region of Uganda remains somewhat volatile due to armed cattle rustlers of the Karamojong and related ethnic groups raiding cattle and propagating violence.

Corruption

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Corruption is a serious problem in Uganda. A December 2012 report on corruption by Uganda's Inspectorate of Government characterized corruption in Uganda as "rampant" and noted that "corruption causes distortions of great magnitude in the Ugandan economy." The report cited public procurement as the area most vulnerable to abuse, and noted that 9.4% of total contract values went to corrupt payments in procurements both at the local and central government levels. Throughout 2012, a series of corruption scandals involving government officials dominated the headlines. In October 2012, the World Bank and a number of European countries providing direct budget support to Uganda suspended nearly $300 million in aid after an investigation revealed that officials in the Office of the Prime Minister had stolen as much as $20 million in foreign aid meant for reconstruction and poverty-reduction in Northern Uganda. Transparency International's (TI) corruption perceptions index ranked Uganda as 130 out of 174 countries surveyed in 2012, and TI's 2012 East African Bribery Index survey ranked Uganda as the most corrupt country in East Africa, with 51% of those surveyed characterizing their public institutions as "extremely corrupt," 57% reporting they believe corruption in the country was getting worse, and just 22% of respondents reporting that they believed their government was making an effort to fight corruption.

In recent years, the government has taken measures to tackle the problem of corruption. In 2009, Uganda passed an Anti-Corruption Act, criminalizing bribery, influence peddling, and a long list of other offenses. The Whistleblowers Protection Act of 2010 now provides some protection to citizens who report malfeasance. Anti-Money Laundering legislation passed in 2013. Other draft legislation, including an Anti-Counterfeiting Bill and a Proceeds of Corruption Assets Recovery Bill are pending in Parliament. An Anti-Corruption Division was opened in Uganda's High Court in 2009, increasing the number of corruption cases prosecuted in Uganda. In 2011, 44 corruption cases heard by the court resulted in convictions, up from 15 in 2010. In spite of these measures, the public perception is that not enough is being done, and that high-level officials involved in corruption – especially politicians – are not seriously investigated or prosecuted.

American firms have complained of lack of transparency in government procurement and possible collusion between competing business interests and government officials in tendering processes. Some foreign businesses have been urged to take on prominent local partners. In recent years, a number of high-profile government tenders for infrastructure projects were suspended following allegations of corruption. Some American firms, which are bound by the U.S. Foreign Corrupt Practices Act, suspect they have lost tenders to bidders from countries which have not criminalized the paying of bribes to foreign officials.

Bilateral Investment Agreements Return to top

Uganda is a member of the World Trade Organization. Uganda is also a member of the East African Community (EAC), along with Kenya, Tanzania, Burundi, and Rwanda. While the EAC now has a Customs Union and Common Market, the slow pace of regulatory reform, lack of harmonization, non-tariff barriers, and bureaucratic inefficiencies still hamper the free movement of goods, capital, and people. In recent years, a number of new agreements between the U.S. and the EAC has strengthened economic ties between the regions: in July 2008, the EAC signed a Trade Investment Framework Agreement (TIFA) with the United States; in June 2012, the U.S. and EAC announced the launch of a new Trade and Investment Partnership, and in October 2012 the EAC signed a letter of intent to launch a Commercial Dialogue with the U.S. In 2012, Uganda acceded to Common Market for Eastern and Southern Africa (COMESA) Free Trade Area and assumed the chairmanship of COMESA.

Uganda has also negotiated bilateral tax treaties with several nations, including China and South Africa. The EAC signed an Economic Partnership Agreement with the EU in 2007.

OPIC and Other Investment Insurance Programs Return to top

Uganda is a signatory to the Multilateral Investment Guarantee Agency (MIGA) of the World Bank and is a member of the International Center for the Settlement of Investment Disputes (ICSID). In 1965, the U.S. and Uganda signed an investment incentive agreement. Both parties signed an updated agreement in 1998, but the Ugandan Government has yet to ratify the renewed agreement.

Due to a bureaucratic issue that it has yet to resolve, the Ugandan government has failed to approve loan guarantees and investments from the Overseas Private Investment Corporation.

Labor Return to top

Education is underfunded in Uganda, and a 2011 Parliamentary report on the economy highlighted poor skills and education as one of the main obstacles to Uganda improving its competitiveness. In 2008, Uganda passed the Business, Technical, Vocational Education and Training Act to reform vocational education and skills development and make it more employment-oriented. However, a number of the reforms have yet to be implemented, and funding for the initiative remains low. In 2011, with donor support, the Uganda Petroleum Institute began teaching vocational skills needed to fill jobs in the oil sector. Uganda's prestigious Makerere University graduates thousands of students a year, but youth unemployment is high due to lack of jobs, providing a ready workforce for investors needing educated local employees.

Most urban Ugandans speak English, though many speak it only as a second language to one of 33 local languages spoken in Uganda. Labor unrest is sporadic in Uganda, and labor unions are not strong. Under the current arrangement, employers must contribute 10% of an employee's gross salary to the National Social Security Fund (NSSF). The Uganda Retirement Benefits Regulatory Authority Act 2011, which provides a framework for the establishment and management of retirement benefits schemes for both the public and private sectors, will add competition to the NSSF and liberalize the pension sector. Ugandan labor laws specify procedures for termination of employment and termination payments. Foreign nationals must have a permit to work in Uganda.

Uganda cooperates with the International Labor Organization (ILO) and has ratified all eight ILO conventions. The National Organization of Trade Unions (NOTU) has 20 member unions. Its rival, the Central Organization of Free Trade Unions (COFTU), also has 20 unions. Union officials estimate that nearly half of the two million people working in the formal sector belong to unions. Four labor reform bills passed by the Parliament in 2006 were aimed at improving labor rights in Uganda, but some of the laws have yet to be implemented. The new laws include provisions to reduce the minimum number of workers required to establish a union from 1,000 to 20, remove the requirement that at least 15% of employees join a union before management is required to engage in collective bargaining, and set new timeframes for union recognition, collective bargaining and strikes.

Uganda employs 100 district-based labor officers to enforce labor standards, inspect workplaces and process worker and management complaints. This mechanism contributes to the enforcement of labor standards, but lack of staffing and resources limits its effectiveness. The Ministry of Gender, Labor, and Social Development is working to strengthen the capacity of existing labor officers.

In May 2007, Uganda launched its national child labor policy, and comprehensive anti-trafficking in persons legislation was passed in 2009, but financial constraints have prevented the policies from being fully implemented. There are active programs underway, with support from the ILO and the U.S. Department of Labor, to combat child labor, but the practice nevertheless remains a concern in Uganda, particularly in the informal sector.

Foreign-Trade Zones/Free Ports Return to top

A Free Zones Bill awaiting Cabinet approval would, if enacted, authorize the development, marketing, maintenance and supervision of free trade zones in Uganda.

Foreign Direct Investment Statistics Return to top

The investment values quoted below should not be relied upon for any investment decision. The figures provided by the UIA are highly variable and the values tracked are only for projects listed. No investors provide updates after the initial registration. FDI statistics are provided by the World Bank. Any discrepancies with previous reports are a result of updated data.

Net FDI (million $)	FY07	FY08	FY09	FY10	FY11
Inflows	792.3	728.9	841.6	543.9	796.9
Outflows (Residual)	---	---	---	---	---

Value of Projects Licensed by the Uganda Investment Authority (listed in million $)					
Sector	2007	2008	2009	2010	2011
Agriculture, Hunting, Forestry and Fisheries	28.99	60.89	203.27	664.55	225.40
Community, Social and Personal Services	41.06	34.10	66.35	32.57	8.26
Construction	223.83	58.10	175.88	125.70	41.80
Electricity, Gas and Water	742.50	173.34	69.93	12.57	70.67
Financing, Insurance, Real Estate, Tourism, and Business Services	109.90	380.89	309.84	294.97	264.16
Manufacturing	325.36	641.23	577.36	327.20	638.91
Mining and Quarrying	88.25	30.36	53.80	103.31	15.92
Transport, Communication and Storage	444.81	946.12	84.65	49.33	8.49
Wholesale & Retail Trade, Catering & Accommodation Services	218.33	55.90	31.04	62.85	21.47
Total	**2223.03**	**2380.93**	**1571.82**	**1673.03**	**1295.08**

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Chapter 7: Trade and Project Financing

- How Do I Get Paid (Methods of Payment)
- How Does the Banking System Operate
- Foreign-Exchange Controls
- U.S. Banks and Local Correspondent Banks
- Project Financing
- Web Resources

How Do I Get Paid (Methods of Payment)

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In Uganda, retailers normally receive payment for consumer goods in cash. However, exporters of capital goods or other equipment, machinery, and services normally seek payment through wire transfers. Ugandans may attempt to pay by check, but increasing check fraud makes this a risky proposition.

How Does the Banking System Operate

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After restructuring in the 1990s the sector has been steadily improving and is now stable and well capitalized. The system includes The Bank of Uganda, 25 commercial banks, and many micro deposit institutions, credit deposit institutions, and development banks. Most of Uganda's largest commercial banks have foreign owners, including Citibank, Barclays, Stanbic and Standard Chartered. A deposit insurance fund with contributions from the Ugandan government and banks has been put in place to protect depositors.

Foreign-Exchange Controls

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There are no foreign exchange controls affecting legitimate trade.

U.S. Banks and Local Correspondent Banks

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Bank of Baroda -- Chase Manhattan Bank, New York
Barclays Bank (u) LTD -- Barclays Bank plc, New York
Citibank Uganda LTD -- Citibank, New York
DFCU bank -- Citibank, New York
Stanbic -- Bankers Trust, New York
Standard Chartered Bank -- Standard Chartered, New York

Project Financing

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Multilateral institutions active in Uganda include the International Monetary Fund, the World Bank and the African Development Bank, as well as several European institutions. Major development projects in health, education, agriculture, and infrastructure, are financed by bilateral donors and/or international organizations.

Web Resources

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Export-Import Bank of the United States: http://www.exim.gov

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: http://www.opic.gov

Trade and Development Agency: http://www.tda.gov/

SBA's Office of International Trade: http://www.sba.gov/oit/

USDA Commodity Credit Corporation: http://www.fsa.usda.gov/ccc/default.htm

U.S. Agency for International Development: http://www.usaid.gov

African Development Bank: www.afdb.org

Bank of Baroda: www.bobho@spacenet

Barclays Bank (U) LTD: www.Barclays.com/Africa/uganda

Citibank: www.Citibank.com/eastafrica/Uganda

COMESA Bankers Association: www.comesabankers.org

DFCU: www.dfcugroup.com

East African Development Bank: www.eadb.org

Stanbic: www.stanbic.com

Standard Chartered Bank: www.standardchartered.com

Uganda Bankers Association: e-mail: uba@uol.co.ug

World Bank: www.worldbank.org

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Chapter 8: Business Travel

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- Travel Advisory
- Visa Requirements
- Telecommunications
- Transportation
- Language
- Health
- Local Time, Business Hours and Holidays
- Temporary Entry of Materials and Personal Belongings
- Web Resources

Business Customs Return to top

Ugandan business decisions are often made by a group within the company and there is a premium on consensus. Ugandans want to get to know people with whom they are dealing and begin most meetings with introductory conversation about people's backgrounds and families. Good gift choices to bring from abroad would be business-related items, including items the company makes or wishes to sell.

Ugandans are quite conservative in dress. Women conventionally wear dresses; men wear business suits or slacks. In their discourse, Ugandan businesspeople dress formally, but are friendly and informal in conversation. They are generally conservative and formal when making speeches to a group. Greetings and acknowledgements invariably precede formal speeches in strict accordance with protocol.

It is common for Ugandans to arrive late for events, and meetings often begin and end later than scheduled.

Travel Advisory Return to top

For the latest travel-related information, please see the consular information sheet for Uganda at http://travel.state.gov

Visa Requirements Return to top

Visitors with diplomatic passports do not need visas. Those with official or regular passports can obtain a visa at the Ugandan Embassy in Washington or on arrival at Entebbe airport ($50 for a single entry). A $50.00 departure tax is charged, but is usually included in the cost of air tickets.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: http://travel.state.gov/visa/

U.S. Embassy Kampala: http://kampala.usembassy.gov/service.html

Telecommunications
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While Uganda's communications infrastructure remains substandard, steady improvements have occurred since the introduction of mobile telephones. Mobile phone companies now provide coverage for urban and most rural areas, though network interruptions in both areas are common. Ground lines in rural areas remain scarce. Most towns in both rural and urban areas have pay phones, easing communication for those without a mobile or land line. SIM Cards for U.S. visitors coming to Uganda with compatible tri-band phones are inexpensive and widely available but one needs to register with a passport photo and a copy of their passport bio data page. International direct dial is expensive, but generally of good quality. A satellite telephone is recommended for persons working in truly remote areas. Many businesses use e-mail regularly. Commercial e-mail and Internet services are increasingly available, and Internet cafes are common. Several Internet companies provide services to commercial entities and residences. The landing of undersea fiber optic cable along the East African coast in September 2009 coupled with increasing competition between telecom companies has lead to improvements in both cost and performance, though quality Internet service remains expensive and slow by international standards. Fax and copying services are available in shops in Kampala and at major hotels. Both telephone and fax charges at major hotels can be exorbitant.

Several different courier services compete for business in Uganda and in providing international services. DHL and FedEx offer delivery to both Kampala and distant rural areas of Uganda. These firms note that exact addresses are not necessary for deliveries to rural areas.

Transportation
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The primary road network in Uganda is in need of repair and maintenance is a problem. Paved roads connect Kampala with the borders in Kenya, Rwanda, and Tanzania. Roads in Kampala also badly need repair, as large potholes slow traffic and damage vehicles, increasing the cost of doing business in the capital. Due to poor drainage and poor road construction, paved roads worsen during the rainy season. Urban traffic congestion is worsening dramatically as Uganda's economy and population grows and more Ugandans purchase autos. The secondary road system needs a great deal of work, and some unpaved roads become impassable in the rainy seasons. A four-wheel drive vehicle is strongly recommended.

International flights to and from Entebbe International Airport leave daily and the number of flights and carriers is increasing. There are frequent flights to cities in the East Africa region including Nairobi, Dar es Salaam, Addis Ababa, Juba, and Kigali. Other non-stop international destinations include Johannesburg, Cairo, Istanbul, Dubai, Doha, Brussels, Amsterdam, and London. There are no direct flights to the United States. Small private carriers recently have established scheduled commercial services between Entebbe and several up country destinations. Alternately, visitors may access remote regions of the country through private charters.

Language
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Most business is conducted in English, though many local languages exist in Uganda. The most common local language in Kampala is Luganda. Because English is often spoken as a second language, many Ugandans speak English with a heavy accent. Likewise, Ugandans often have difficulty understanding American English pronunciation and usage. Swahili is often understood but not frequently used in Kampala, and carries negative overtones as the language of the former dictator, Idi Amin.

Health Return to top

Despite Uganda having numerous infectious diseases, travelers who take appropriate precautions rarely get serious infections. By far the biggest risk to travelers is motor vehicle accidents. Use of motorcycle taxis or driving on the highway after dark should be strictly avoided, and seat belts and helmets should always be used. Malaria is highly endemic and may be resistant to some anti-malarial drugs. Most infections are falciparum malaria, which untreated, can rapidly become life-threatening. Use of appropriate prophylaxis and bed nets greatly lowers the risk of acquiring malaria. Outbreaks of viral hemorrhagic fevers with a high fatality rate, such as Ebola and Marburg fever, occur occasionally but usually do not spread beyond a localized area. Yellow fever is present in northern Uganda, but can reliably be prevented with the required Yellow Fever vaccine. Enteric diseases including giardia, amoebic dysentery and shigella are common, as are cholera and typhoid. Typhoid fever immunization is highly effective and also recommended. Travelers to northern Uganda should be aware of an ongoing Hepatitis E epidemic acquired through drinking contaminated water. Water from taps is not potable and should be boiled and filtered before drinking. Bottled water is widely available in the country. Fruit and vegetables should be soaked for 20 minutes in chlorinated water if they are to be eaten uncooked. Most lakes and rivers are infested with bilharzia, limiting water-based recreation. Plague occurs annually in West Nile and bacterial meningitis is a regular in northern Uganda. Sexually-transmitted infections including HIV infection are endemic in Uganda, and tuberculosis is also common.

Local Time, Business Hours, and Holidays Return to top

Uganda is three hours ahead of Greenwich Mean Time. Office hours typically are 8:00 AM to 5:00 PM Monday through Friday. However, office hours may vary and offices frequently close early on Friday.

The Ugandan government does not celebrate a holiday on the workday before or after the actual holiday if it falls on a weekend. Businesses, however, may be closed and many businesspeople may be unavailable on such a day. Major holidays celebrated in Uganda include:

New Years Day January 1
Liberation Day January 26
Good Friday *
Easter Monday *
International Women's Day March 8
Labor Day May 1
Id-el-Fitr *
Id-el-Adha *

Uganda Martyr's Day June 3
National Heroes Day June 9
Independence Day October 9
Christmas Day December 25
Boxing Day December 26

* Date changes annually

Temporary Entry of Materials and Personal Belongings

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Persons bringing goods into Uganda temporarily need to execute a bond through a clearing agent. Personal effects typically are not taxed, though a sizeable consignment of personal effects might attract the attention of Ugandan Customs and a person bringing in such a consignment should contact a clearing agent.

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State Department Visa Website: travel.state.gov/visa/index.html

United States Visas: www.unitedstatesvisas.gov/

U.S. Embassy Kampala: kampala.usembassy.gov/service.html

Uganda Revenue Authority: www.ura.go.ug

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Chapter 9: Contacts, Market Research and Trade Events

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- Market Research
- Trade Events

Contacts Return to top

U.S. Commercial/Economic Office
Plot 1577 Ggaba road
Kampala, Uganda
Tel: 256-414-306-001, fax: 256-414-259-794
kampala.usembassy.gov/business.html

U.S. Embassy
Plot 1577 Ggaba road
Kampala, Uganda
Tel: 256-414-306-001, fax: 256-414-259-794
kampala.usembassy.gov/service.html

Uganda Government Agencies/Authorities

Customs Department
P.O. Box 8147, Kampala
Tel: 256-417-744-101, 256-414-317-195
www.ura.go.ug

Ministry of Agriculture, Animal Industry and Fisheries
P.O. Box 201, Entebbe
Tel: 256-414-320-722, 256-414-320-004, fax: 256-414-321-047
www.agriculture.go.ug

Ministry of Energy and Minerals
P.O. Box 7270, Kampala
Tel: 256-414-311-111, fax: 256-414-230-220
www.energyandminerals.go.ug

Ministry of Finance, Planning and Economic Development
P.O. Box 8147, Kampala
Tel: 256-414-707-0009, fax: 256-414-230-163
www.finance.go.ug

Ministry of Tourism, Trade and Industry
P.O. Box 4241, Kampala
Tel: 256-414-314-268, fax: 256-414-340-427
www.mtti.go.ug

National Environment Management Authority (NEMA)
P.O. Box 22255, Kampala
Tel: 256-414-251-064/8; fax: 256-414-257-521
www.nemaug.org

Private Sector Foundation Uganda
P.O. Box 7683, Kampala
Tel: 256-312-263-850; fax: 256-414-259-109
www.psfuganda.org

Uganda Export Promotion Board
P.O. Box 5045, Kampala
Tel: 256-414-230-250; fax: 256-414-259-779
www.ugandaexportsonline.com

Uganda Investment Authority (UIA)
P.O. Box 7418, Kampala
Tel: 256-414-301-000; fax: 256-414-342-903
www.ugandainvest.co.ug

Uganda National Bureau of Standards
P.O. Box 6329, Kampala
Tel: 256-414-222-367; fax: 256-414-286-123
www.unbs.go.ug

Uganda Revenue Authority
P.O. Box 7279, Kampala
Tel: 256-417-442-001/10; fax: 256-414-334-419
www.ura.go.ug

Uganda Trade Associations/Chambers of Commerce

American Chamber of Commerce in Uganda
c/oNCR Uganda - Service & Computer Industries
Plot 94, William Street
Tel: 256 312 351700; 256 414 351712; fax: 256 414 232145
www.sciug.com/; Email: gm@sciug.com

Uganda Coffee Trade Federation
P.O. Box 21679, Kampala
Tel: 256-414-343-678; fax: 256-414-343-692
www.uganda-co.ug/coffee

Uganda Fish Processors & Exporters Association
P.O. Box 24576, Kampala
Tel: 256-414-347-835; fax: 256-414-347-835
www.ufpea.co.ug

Uganda Flower Exporters Association
P.O. Box 29558, Kampala
Tel: 256-312-263-320; Fax: 256-312-263-321
www.ufea.com

Uganda Manufacturers Association
P.O. Box 6966, Kampala
Tel: 256-414-287-615; fax: 256-414-220-285
www.uma.or.ug

Uganda National Chamber of Commerce and Industry
P.O. Box 3809, Kampala
Tel: 256-414-503-024/5; fax 256-414-230-310
www.ugandachamber.or.ug

Uganda Small Scale Industry Association
P.O. Box 7725, Kampala
Tel: 256-312-278-798;
www.ussia.org

The Uganda Vanilla Exporters Association
1st Floor Ambassador House, Kampala Road
Tel: 256-772-495-067
www.ugandavanilla.com/commercial.htm

Development Banks

Uganda Development Bank
P.O. Box 7210, Kampala
Tel: 256-414-355-550; fax: 256-414-355-556
www.info@udbl.co.ug

East African Development Bank
P.O. Box 7128, Kampala
Tel: 256-414-230-021/5; fax: 256-414-259-763
www.eadb.org

International Organizations

International Monetary Fund
P.O. Box 7120, Kampala
Tel: 256-414-233-955; fax: 256-414-254-872
www.imf.org

UNDP
P.O. Box 7184, Kampala
Tel: 256-414-233-440; fax: 256-414-244-801
www.undp.or.ug

World Bank
P.O. Box 4463, Kampala
Tel: 256-414-230-094; fax: 256-414-230-092
www.worldbank.org

World Food Program
P.O. Box 7184
Tel: 256-312-242-000/229; fax: 256-414-250-485
www.wfp.org

Uganda Commercial Banks

Bank of Africa
P.O. Box 2750, Kampala
Tel: 256-414-258-118; fax: 256-414-230-439
www.boa-uganda.com

Bank of Baroda
P.O. Box 7197, Kampala
Tel: 256-414-233-680; fax: 256-414-258-263
www.bankofbaroda/Uganda

Barclays Bank
P.O. Box 2971, Kampala
Tel: 256-312-218-000/317; fax: 256-414-231-839
www.barclays.com/africa/uganda

Cairo International Bank
I Sure House, Bombo Rd. Kampala
Tel: 256-414-230-136; fax: 256-414-230-130
www.cairointernationalbank.co.ug

Centenary Rural Development Bank
Plot 7, Entebbe Road, Kampala
Tel: 256-414-251-276/7; fax: 256-414-251-273/4
www.centenarybank.co.ug

Citibank Uganda
P.O. Box 7505
Tel: 256-414-340-945/9; fax: 256-414-340-624
www.citibank.com/eastafrica/uganda

Crane Bank
P.O. Box 22572, Kampala
Tel: 256-414-343-607/8; fax: 256-414-231-578
www.cranebanklimited.com

DFCU (formerly Gold Trust) Bank
P.O. Box 70, Kampala
Tel: 256-414-351-000; fax: 256-414-500-491
www.dfcugroup.com

Diamond Trust Bank
17/19 Diamond Trust Bldg., Kampala
Tel: 256-414-259-331/3; fax: 256-414-342-286
www.dtbafrica.com

National Bank of Commerce
Cargen house, Parliament Ave, Kampala
Tel: 256-414-347-700; fax: 256-414-347-701
e-mail: nbc@africaonline.co.ug

Orient Bank
Plot 10, Kampala road
Tel: 256-414-236-013; fax: 256-414-236-066
www.orient-bank.com

Stanbic Bank
P.O. Box 7131, Kampala
Tel: 256-312-224-600; fax: 256-414-231-116
www.stanbic.com

Standard Chartered Bank
P.O. Box 7111, Kampala
Tel: 256-414-258-211; fax: 256-414-342-875
www.standardchartered.com/ug

Tropical Africa Bank
27 Kampala Rd., Kampala
Tel: 256-414-313-100; fax: 256-414-313-131
www.trobank.com

United Bank for Africa
Spear House, Plot 22 Jinja Road
Tel: 256-417-715-100
www.ubagroup.com

Kenya Commercial Bank
Commercial Plaza, 7 Kampala Road
Tel: 256-414-346-961; fax: 256-414-346-966
www.kcb.co.ke

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To view market research reports produced by the U.S. Commercial Service please go to the following website: www.export.gov/mrktresearch/index.asp and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, and is free.

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Please click on the link below for information on upcoming trade events.

www.export.gov/tradeevents/index.asp

www.buyusa.gov/kenya/en/11.html

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Chapter 10: Guide to Our Services

The President's National Export Initiative aims to double exports over five years by marshaling Federal agencies to **prepare U.S. companies to export successfully**, **connect them with trade opportunities** and **support them once they do have exporting opportunities**.

The U.S. Commercial Service offers customized solutions to help U.S. exporters, particularly small- and medium-sized businesses, successfully expand exports to new markets. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers
- Gain access to the full range of U.S. government trade promotion agencies and their services, including export training and potential trade financing sources

To learn more about the Federal Government's trade promotion resources for new and experienced exporters, please click on the following link: www.export.gov

For more information on the services the U.S. Commercial Service offers to U.S. exporters, please click on the following links:

www.export.gov/uganda
kampala.usembassy.gov/business
www.buyusa.gov/kenya/en/

U.S. exporters seeking general export information/assistance or country-specific commercial information can also contact the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRAD(E).**

We value your feedback on the format and contents of this report. Please send your comments and recommendations to: Market_Research_Feedback@trade.gov

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